



USAID/ALBANIA

FY 2002

RESULTS REVIEW & RESOURCE REQUEST (R4)

The attached results information is from the FY 2002 Results Review and Resource Request (R4) for Albania and was assembled and analyzed by USAID/Albania.

The R4 is a "Pre-Decisional" USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from James W. Bonner, Program Officer, USAID/Albania.

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FY 2002 R4

TABLE OF CONTENTS

LIST OF ACRONYMS.....	5
COVER MEMO.....	7
Part I. OVERVIEW OF FACTORS AFFECTING PROGRAM PERFORMANCE.....	9
PART II. RESULTS REVIEW BY STRATEGIC OBJECTIVE	
SO 1.3: Accelerated Development and Growth of Private Enterprises	
Summary.....	13
Key Results.....	14
Performance and Prospects.....	15
Possible Adjustments to Plans.....	16
Other Donor Programs.....	17
Principle Contractors, Grantees and Agencies.....	17
Performance Data Tables.....	18
SO 1.4: A More Competitive and Market-Responsive Private Financial Sector	
Summary.....	20
Key Results.....	20
Performance and Prospects.....	21
Possible Adjustments to Plans.....	21
Other Donor Programs.....	21
Principle Contractors, Grantees and Agencies.....	22
Performance Data Tables.....	22
SO 1.6: Increased Environmental Management Capacity Supporting Economic Growth	
Summary.....	24
Key Results.....	24
Performance and Prospects.....	24
Possible Adjustments to Plans.....	25
Other Donor Programs.....	25

Principle Contractors, Grantees and Agencies.....	25
Performance Data Tables.....	26

SO 2.1: Increased, Better Informed Citizens' Participation in Political and Economic Decision-Making

Summary.....	27
Key Results.....	27
Performance and Prospects.....	28
Possible Adjustments to Plans.....	28
Other Donor Programs.....	29
Principle Contractors, Grantees and Agencies.....	29
Performance Data Tables.....	29

SO 2.2: Legal Institutions that Better Support Democratic Processes and Market Reforms

Summary.....	35
Key Results.....	35
Performance and Prospects.....	35
Possible Adjustments to Plans.....	37
Other Donor Programs.....	37
Principle Contractors, Grantees and Agencies.....	37
Performance Data Tables.....	37

SO 2.3: More Effective, Responsive and Accountable Local Government

Summary.....	41
Key Results.....	41
Performance and Prospects.....	41
Possible Adjustments to Plans.....	42
Other Donor Programs.....	42
Principle Contractors, Grantees and Agencies.....	42
Performance Data Tables.....	43

SO 3.2: Improved Sustainability of Social Benefits and Services

Summary.....	45
Key Results.....	45
Performance and Prospects.....	46
Possible Adjustments to Plans.....	47
Other Donor Programs.....	47
Principle Contractors, Grantees and Agencies.....	47
Performance Data Tables.....	48

SO 4.1: Special Initiatives

SEED Supplement.....	50
ESF Support.....	51

SO 4.2: Cross-cutting Programs

Participant Training.....	52
Special Cross-cutting Programs.....	53

PART III. RESOURCE REQUEST

Financial Plan: Primary SO-Targeted Activities.....	55
Financial Plan: Special Initiatives and Cross-Cutting Programs.....	57
OE and Staffing Requirements.....	57
Table 1: Budget Request by Program.....	58
Table 2: Workforce.....	62
Table 3: USDH Staffing Requirements.....	66
Table 4: Operating Expenses (with narrative and Supplemental Request Table).....	68
Table 5: Global Bureau Field Support/Environmental Impact Statements.....	82
Table 6: Special Reporting - E&E Bureau Detailed Budget Information.....	85
Table 7: Special Reporting - Success Stories.....	88
Table 8: Detailed Performance Indicator Tables.....	95

LIST OF ACRONYMS

AAEF	Albanian American Enterprise Fund
ABA/CEELI	American Bar Association/Central & East European Law Initiative
ACDI/VOCA	Agr. Coop. Devlp., Intl./Volunteers in Overseas Coop. Assistance
ACER	Albanian Center for Economic Research
AFADA	Albania Fertilizer and Agribusiness Dealers Association
APFDP	Albania Private Forestry Development Project
BBC	British Broadcast Corporation
BOA	Bank of Albania
CDIE	Center for Development Information and Evaluation
CEC	Central Elections' Commission
CEE	Central Eastern Europe
CoE	Council of Europe
CSRP	Collaborative Support Research Project
DOJ	Department of Justice
EBRD	European Bank of Reconstruction and Development
EU	European Union
EU PHARE	EU, Poland and Hungary AID for Reconst. of the Economy
FEFAD	Fund for Enterprise Finance and Development
FSN	foreign service national
FSVC	Financial Services Volunteer Corps
GOA	Government of Albania
GDP	gross domestic product
GTZ	Agency for German Technical Cooperation
IFC	International Financial Corporation
IFDC	International Fertilizer Development Center
IFES	International Foundation for Election System
IMF	International Monetary Fund
HL/RTP	Home Leave and Return to Post
ICASS	International Cooperative Administrative Support Services
ICITAP	International Criminal Investigative Training Asst. Program
ICNL	International Center for Not-for-Profit Law
IMF	International Monetary Fund
IMR	infant mortality rate
INSTAT	Institute of Statistics
IR	Intermediate Result
IRI	International Republican Institute
IRIS	Institutional Reform and the Informal Sector
MBA	Masters in Business Administration
MMR	maternal mortality rate
MOH	Ministry of Health
MPP	Mission Performance Plan
NATO	North Atlantic Treaty Organization
NDI	National Democratic Institute
NGO	non-governmental organization

NRM	natural resources management
OE	operating expense
OPDAT	Office of Overseas Prosecutorial Devlp. Asst. and Training
ORT	ORT International, Inc.
OSCE	Organization for Security and Cooperation in Europe
PAP/A	Public Administration Project/Albania
PMP	Performance Monitoring Plan
PVO	private voluntary organization
RFA	request for application
RTGS	Real-time Gross Settlements
SDC	Society for Democratic Culture
SDP	service delivery point
SEED	Support for East European Democracy
SO	Strategic Objective
UAB	unaccompanied air baggage
UNDP	United Nations Development Program
UNFPA	United Nations Family Planning Agency
USAID	United States Agency for International Development
USD	United States dollar
USIA	United States Information Agency
VAT	value added tax
WB	World Bank
WTO	World Trade Organization



March 27, 2000

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU
FOR EUROPE AND EURASIA

FROM: Howard J. Sumka, Director USAID Albania

SUBJECT: USAID/Albania Results Review and Resource Request, FY 2002

Despite the difficulties that impeded the work of USAID and our implementers in Albania during FY 1999, the FY 2002 R4 presents a record of considerable success. Our programs have made significant contributions to improving the country's weak economy and strengthening and deepening its fledgling democracy. We are particularly pleased with our work in three areas: supporting small enterprise development, strengthening civil society, and assisting the Government to decentralize authority to the local level. These areas will continue to be focal points for our program. To be sure, much remains to be done in the one truly developing country in South Eastern Europe. Many obstacles remain before Albania can become integrated into Europe and the West, the primary driving force behind its efforts at economic and democratic reform.

The *Resource Request* in this R4 covers the period through the end of our current five-year strategic plan. Since that plan was approved in June 1998, we have experienced substantial changes in Albania and in our working conditions. One change of Government was precipitated by violence and a second resulted from political conflict within the ruling party. During the five-month Kosovo war and refugee crisis, Albania suddenly became the locus of a massive humanitarian assistance program and the staging point for NATO military actions. It has just as precipitously dropped from the donor limelight in favor of Kosovo and Montenegro. The U.S. Embassy was subjected to a credible terrorist threat, and USAID now operates in a highly constrained mode.

Given these changes and the post-Kosovo pressures for regional integration and coordination through the Stability Pact, we recommend a review of the assumptions and program priorities underlying our *Strategic Plan* for 1998-2002. We propose to revise our results framework in order to streamline our Strategic Objectives and adjust our priorities. This will ensure we are focused on the most pressing issues and that our programs reflect USAID's comparative advantage. At this time, it would not be useful to prepare a completely new Strategic Plan. We propose a systematic examination of each SO, with an eye toward reducing the number from the current nine (seven plus cross-cutting and special initiatives) to six or seven. We have already had useful assistance from the Bureau in thinking through some of the SOs, particularly in the

market reform and economic growth assistance area, and we expect additional assistance soon in the democracy and health reform areas. We propose to submit a revised Strategic Plan to carry us through FY 2002 in the fall of this year for approval before we prepare the FY 2003 R4. We are prepared to discuss preliminarily our ideas for revising the results framework during our program week.

By far the greatest impediment to the successful implementation of the USAID/Albania program, and a continuing source of vulnerability, is our inability to reach an adequate staffing level. For more than half this reporting period, from October 1998 through April 1999, USAID operated in a severe *draw-down* status with no American contractor or grantee staff allowed in country, and only one U.S. direct hire at post at one time. Our return to post was triggered by the Kosovo crisis. The Government and people of Albania won the admiration of the world with their generosity to the 465,000 refugees who crossed into Albania and created an enormous demand for logistical support, infrastructure and social services. The U.S. responded aggressively with humanitarian assistance, placing a DART in the country for more than six months and bringing the Embassy and USAID staff back into the country.

Albania remains a *critical threat* post, however, which imposes numerous restrictions on our operations. By the end of the FY 1999, we were nearly at a full complement of Americans but still severely hampered by the requirement for co-locating on the Embassy compound. We have at least five fewer local staff than we need to comfortably manage our SEED programs, and two or three more are required over the next 18 months to manage the rehabilitation programs funded under the FY 1999 SEED Supplemental. Although FBO is planning to construct additional office space on the compound, which will be designed to accommodate 25 USAID staff, there is no firm completion date. We are trying to secure approval from State, reportedly from the Secretary herself, to house a portion of our staff in commercial office space for the interim period.

The security constraints also have OE budget implications. We participate in the relatively expensive ICASS to a greater degree than we would otherwise and may be asking for more OE than we would were we able to provide our own services. Additionally, we are required to travel in fully armored vehicles accompanied by armed guards, which adds to OE costs. Finally, our one-year, unaccompanied tour of duty adds the costs of two R&R trips per year and more frequent departures of USDH staff. The latter also creates continuity problems in program implementation, although most staff have elected to extend their tours for a second year.

Despite these impediments, the USAID staff is committed to our assistance program, which is so vital to the development and successful transition of Albania. We have made, and will continue to make, adjustments to how we manage the portfolio to conform to the constraints of working in Albania. We have overcome serious obstacles and made real progress in the past year. We intend to do the same this year.

PART I. OVERVIEW OF FACTORS AFFECTING PROGRAM PERFORMANCE

Albania is Europe's poorest country and, despite some recent improvements, its government continues to have difficulty in establishing a consistent rule of law. Its poorly developed public institutions, weak civil society, and fragile economy constitute serious impediments to its transformation from a centrally planned economy to a free market democracy. As were the two previous years, FY 1999 was fraught with difficulties for Albania and USAID. Terrorist threats led to a U.S. Government evacuation and draw-down in August 1998. Riots following an assassination with political overtones resulted in a new government in September. During the NATO military action from March to July 1999, Albania hosted over 465,000 Kosovar refugees, which put enormous strain on its limited resources. American USAID, contractor and grantee personnel did not begin to return to Albania until May 1999. For seven months, local staff under indirect American staff management operated USAID programs. The USAID mission did not have a full complement of American staff until October. USAID was required to co-locate in limited Embassy space because of continuing threats and, as a result, the local hire staff remained well below the authorized (and required) level.

Progress Achieved: Performance toward meeting USAID objectives in FY 1999 was varied but was nonetheless encouraging. Despite USAID's limited in-country presence, its programs played a significant role in many major positive developments:

- By popular referendum, the people of Albania adopted a new democratic constitution in the fall of 1998;
- The Council of Ministers approved a national decentralization strategy following numerous participatory task force meetings;
- The foundation for a national property market lies in the property titling program, which now contains over 1.7 million land titles;
- The Albanian American Enterprise Fund created the American Bank of Albania, whose commercial operations have become profitable and will help bridge the credit gap for medium and large companies;
- National Judicial Conference convened in fulfillment of Article 147 of the Constitution;
- Government passed the law on broadcast media, thus strengthening the overall legal and regulatory framework for an independent media;
- Government passed the collateral law which will facilitate credit for productive sectors;
- Agricultural trade associations now represent and provide services to more than 26,000 dues paying members;
- USAID programs introduced improved technologies to 10,500 small entrepreneurs and farmers, over 7,500 of whom were women;
- The Bank of Albania has a strengthened banking supervision capacity;
- The Council of Ministers passed the national forestry development strategy;

- USAID programs trained 1,400 professionals who provide women's reproductive-health services and improved the facilities at 296 sites where they work.

Strategy: The U.S. assistance program in Albania addresses nine strategic objectives. These objectives directly link with the most recent Embassy Mission Performance Plan's (MPP) strategic goals of: broad-based economic growth and related goals of open markets and expanding U.S. exports; regional stability, developing democratic political institutions, and anti-corruption and organized crime; and improving general health care. The importance of supporting Albania's development was demonstrated during the NATO action in Kosovo. Albania played an important role in preventing the complete destabilization of the Balkan region by supporting NATO and taking in hundreds of thousands of refugees. Albania's participation during the crisis underscored its intent in integration with the west, especially its aspirations for NATO and EU membership. At the same time, this action highlighted the obstacles to such integration, including its weak infrastructure networks, weak public and civil society institutions, fragile government authority, crime, and corruption.

It is in the national interest of the U.S. to help Albania overcome these weaknesses and consolidate its transition to a stable, market-oriented democracy that can contribute to stability in this volatile region, helping U. S. efforts to combat terrorism, arms proliferation, narcotics trafficking, and international organized crime. The USAID-implemented, Support for East European Democracy (SEED) program in Albania pursues objectives that coincide with interests identified in the U.S. Strategic Plan for International Affairs.

Changed Conditions : In 1999, Albania posted encouraging economic indicators despite the Kosovo conflict. The inflation rate continued to decline -- from 10% in 1998 to about 4% for the last half of 1999. Official statistics showed a gross domestic product (GDP) increase of approximately 8%. Official unemployment increased only one percent -- from 17% to 18%. At the same time, Albania's fiscal deficit continued too high -- fueled in part by the burden of hosting Kosovo's refugees -- but indicative also of Albania's need to strengthen its regulatory and administrative systems. For instance, a considerable amount of income from criminal and unlicensed, non-criminal activities probably goes unreported and untaxed. Albania's economy in 1999 continued to rely heavily on remittances from workers abroad, foreign assistance from donors, and mostly subsistence level output from the agricultural sector, which generates 50% of official GDP and employs about 60% of the workforce. It is noteworthy that the IMF has reviewed the reform program of the government and its achievements under the Poverty Reduction and Growth Facility and, while it found satisfactory macroeconomic results, cautioned that much more needs to be done in improving tax administration, introducing reforms to create a fully functioning market economy, and fighting against fraud and corruption. IMF released an initial tranche of \$13 million.

Albania remains behind most other Eastern European countries in the pace of economic reform (except for Bosnia and Former Yugoslavia). SEED-funded technical support helped Albania's fairly successful implementation of such first-round economic policy reforms as implementation of macro-economic stabilization measures, small-scale privatization, promulgation of land market laws and regulations, and bankruptcy and collateral law development. However, the U. S. Government evacuation of Americans in August 1998 and subsequent restriction of American

presence in country impeded efforts to support Albania's consolidation of critical second-stage reforms. Albania will need continued U. S. assistance to: establish and effectively administer laws, regulations and institutions that improve corporate governance; and establish a disciplined financial system that attracts and mobilizes outside capital for private sector growth. A severe obstacle to Albania's achievement of sustained economic growth is the perceived and real pervasiveness of crime and corruption. The lack of internal security has helped retard the growth of foreign investment in Albania's economy. The capability to deal with these problems is presently lacking.

The sudden and enormous influx of refugees expelled from Kosovo placed new demands on foreign assistance in Albania. Emergency relief from USAID was implemented by USAID's Bureau for Humanitarian Response and its DART team. Several programs have been developed by the mission to ameliorate residual refugee related problems funded by reallocated or supplemental SEED funds.

Mission Adjustments: In March 1999, as violence increased and NATO military actions escalated in neighboring Kosovo, refugees surged into Albania. By the end of June, 465,000 refugees, an influx equal to roughly 15 percent of the Albanian population, burdened the extremely vulnerable economy by placing excessive demands on an already crumbling social and physical infrastructure. While nearly two-thirds of the refugees were sheltered in private homes, those that were sheltered, clothed and fed through the Government of Albania and international relief efforts, strained much of the municipal infrastructure to the point of collapse; water, sanitation and physical structures were damaged as a result of heavy use and, many times, over-use by the refugees (e.g., pumps and pipes broken and clogged). In certain cases, buildings were so overcrowded that they require rehabilitation to make them safe for re-occupancy (replace missing windows, stairs and railings; repair water damage by rain and broken pipes.) The emergency assistance created additional stress on the local and national governments by overburdening the government budgets. This resulted in municipalities unable to provide basic services (repair health clinics and access roads; provide clean water). The substantially increased number of people stretched the Government of Albania's (GOA) ability to respond adequately to the needs of its citizens. In addition, the disruptions to regional trade reduced government revenues at a time when these revenues were desperately needed.

Since USAID/Tirana developed its current Strategic Plan (1998-2002) the country has endured the Kosovo crisis, two changes in government, and the Stability Pact has been created. The Plan, therefore, may not accurately reflect the country's conditions, political situation, and regional issues. The mission plans to begin a series of sector reviews in mid-FY2000. The reviews will make critical assessments in four major areas of the portfolio: agriculture, democracy, private sector, and health. From these assessments, the mission plans to modify the existing Strategic Plan.

During the first half of FY99, performance of certain activities, particularly those requiring Americans during implementation, continued to be hampered, as in the previous year. These conditions also affected the collection of performance indicators, creating some gaps that appear in this R4. In response to last year's R4 review and the E&E Bureau's management memorandum, which served in lieu of the management contract, the mission will take a critical look at SO 1.6 (environmental management) during the sector review process this spring.

Continuing security restrictions on travel for U.S. contractors and USDH staff outside of Tirana hampers all programs and activities. Programs will have to be adjusted accordingly to ensure proper management oversight and monitoring.

Plans and Prospects for Further Progress: Creating the conditions for sustainable economic growth dominates USAID/Albania's portfolio. USAID's assistance will continue to focus on the private sector, particularly agriculture. Support to farmers' associations will focus more attention on women-owned and operated enterprises; expanding assistance to private associations; and developing micro-credit programs that respond to private sector needs. Support to land titling will continue, focusing on the creation of a land market. Community-based, private sector development activities will be linked to grassroots civil society strengthening efforts.

USAID will assist with the restructuring and privatization of the state banking sector, namely the Savings Bank, a high priority for the GOA, and continue its support of bank supervision activities and other financial sector developments. Attention to the privatization of medium-sized industries will continue. Efforts will continue to improve the commercial regulatory and legal framework, supporting accession to the World Trade Organization and customs reform.

Support to local government, an area of focus for USAID, will also encourage decentralization and the development of new civic intermediaries for the people of Albania. Helping the GOA to solidify the rule of law – including efforts to fight corruption and reestablish control over its borders – will be a major thrust of USAID's democracy and governance programs. USAID will continue to promote participatory and representative government; respect for diversity of beliefs, and human rights; and effective administration of the law. Assistance to media, local government and NGO sectors will spotlight citizen awareness and participation in the democratic process. USAID will intensify anti-corruption efforts, working with selected NGOs to help citizens realize they have a right to information on government operations; mobilizing public concern about corruption; and encouraging government to take corrective action. This civil society effort will complement activities to upgrade law enforcement bodies and regulate financial institutions. Assistance to the Albanian Customs Department, in direct collaboration with the EU, is an important component of USAID's anti-corruption program.

USAID will continue efforts to improve access to, and the quality of health services in Albania through training, public awareness, and increasing service delivery points in the country. It will also provide financial management advisory services to support a hospital payment system and to help expand access to women's wellness centers and the creation of a national nurses association.

PART II. RESULTS REVIEW BY STRATEGIC OBJECTIVE

PROGRAM: ALBANIA

TITLE: Accelerated Development and Growth of Private Enterprise, 180-SO1.3

Mission Self-Assessment : On-track

Summary: Activities associated with this strategic objective are designed to accelerate the formation and growth of private enterprises. This SO links with the Bureau's SAA#1, Economic Restructuring and Growth, and the MPP goal of Broad-based Economic Growth. Starting with no private businesses in 1991, Albania's economy, although yet quite underdeveloped, is becoming increasingly dominated by the private sector. The informal sector comprises an estimated 40% to 50% of GDP. Some major state enterprises, including electricity, telecommunications, extraction and several manufacturers, are yet to be privatized and it is unclear when this will take place. Some light manufacturing, in agriculture, furniture and garment production, is emerging, and construction has increased significantly.

The absence of experience in private business and the poor performance of state enterprises left a legacy of poor management and a severe shortage of skills. As a result, the private sector has not established efficient production, distribution, marketing and financial systems. To remedy this, USAID has been providing business services and training to existing and potential entrepreneurs. Support of small enterprise development and agricultural production offers a strategic path to strengthen private sector growth and the formation of new private enterprises has been relatively rapid. Some efforts have been taken to improve the environment for investment, such as support for Albania's entry into the World Trade Organization and the training of magistrates in commercial law, but it is vital that more be done in commercial law reform to enable the growth and strengthening of private business.

One part of USAID's strategy is to focus upon the growth of the private agricultural sector, through more efficient production technology, improved marketing and higher quality final products aimed, for now, at the domestic market. Agriculture accounts for over 50% of GDP and 60% of employment, much of which is in subsistence agriculture. While the official unemployment figure is 18%, unofficial estimates put it at 35%.

USAID's support has been vital in setting up a network of an association of 150 private dealers in fertilizer and other farm inputs. This has proven to be a major engine of change and this successful model has recently been extended to other agricultural trade associations of dairy producers, livestock producers, flour millers, meat processors, edible oil producers, poultry producers, fisheries, horticulturists, grape growers, bean growers, and agricultural mechanization dealers. A national farmers association also has been assisted.

The lack of credit for small and micro enterprises, including those in agriculture, seriously limits business opportunities and USAID has supported non-bank lending to these borrowers. Agricultural associations have had access to approximately \$4 million in revolving credit for

their members and USAID began a new, micro- and small enterprise lending activity in 1999. New private banks, including the American Bank of Albania, whose formation was assisted by USAID, are beginning to pursue lending opportunities to the newly formed agricultural trade associations. More assistance is required to expand agricultural credit.

Individual small farmers are being assisted in raising their incomes through USAID support for dairy activities, which is transferring new technology and management know-how, and organizing an active network of dairy producers, organizing the collection and marketing of milk, and providing training on grading, technology and sanitation. The microcredit activity is also supporting the purchase of improved livestock.

One major contribution, supported jointly by USAID and the EU PHARE program, is the implementation of a countrywide land titling and property registration system, which will within the next two years hold the records for nearly 3 million properties nationwide and lay the foundation for the development of the land market.

Key Results: Historically, the following three indicators have been used to measure the progress of this SO. These indicators are still valid; however, our sources for the indicators release the figures each April, posing difficulties with entering current data in the R4.

- (1) *Number of registered private sector enterprises.* This measure indicates the total number of private sector enterprises that are active. A perhaps better measure of the development of the private sector would be the number of persons employed in non-farm occupations, but this statistic is unreliable in Albania.
- (2) *Quantity of foreign investment.* This measure is important not only because the level of foreign investment is critical to future development, but also as a measure of whether the regulatory and legal framework and other conditions encourage foreign investors.
- (3) *Business Support Services Improved.* This measure, provided by several USAID contractors, indicates the reach of the USAID program in encouraging the development of efficient private enterprise.

Beginning this year, and in the future, we will report the following Key Results, which are related to our programs, directly linked with this strategic objective and readily available. These are not new indicators, but rather, previously reported indicators from the Strategic Plan:

- (1) *Number of Entrepreneurs Applying (Identified) Improved Technologies.* This measure indicates the impact (general acceptance rate) of the training and outreach components of our agribusiness activities. It also is a proxy indicator of the "health" of the private agriculture sector. We exceeded targets by over 30 per cent: 10,500 entrepreneurs (3,000 males; 7,500 females) were applying improved technologies on farms or in small businesses.
- (2) *Total Non-bank Finance Initiated or Outstanding in the Year.* This measure provides a general overview of the lending climate and attitudes of lending institutions and their clients. In view of the disastrous pyramid banking scheme, we believe this is a very important indicator.

We have greatly exceeded our target over the past two years. This year total non-bank finance, targeted at \$18 thousand, reached \$2.02 million.

(3) *The Proportion of Non-bank Finance Considered Delinquent*. This measure indicates the repayment rate and the quality of services provided. It is a good proxy indicator for the general attitudes of borrowing clientele. Over the past two years we have exceeded targets and this year the percent of delinquent loans, targeted at 10%, was actually 0%.

(4) *Number of Dues-paying Members in Agriculture Trade Associations*. As an indicator of the general health of the agribusiness sector, and a proxy for establishing democratic processes through community organizations, the following is very impressive: the number of dues paying agricultural trade association members was targeted at 955 persons, and the actual number was 26,371 persons. This has been a trend over the past two years.

Despite the difficult working conditions during the past year, some results were excellent compared to the targeted figures. Performance indicators for these indicators can be found in Table 8.

Performance and Prospects: Due to good efforts by the Mission and contractors through remote management, the continued work of national staff and the rapid mobilization by others, despite the absence of U.S. personnel until May 1999, this SO has met and in some respects exceeded expectations.

USAID has assisted in improving the business regime, which should improve the conditions for domestic and foreign investment. Specifically it drafted a new law on secured transactions (collateral law), trained judges on economic principles, bankruptcy law, administrative systems, and intellectual property rights, and supported actions that would eventually result in Albania being a member of the World Trade Organization. Domestic and foreign investment dropped off following the near collapse of the economy in 1997, largely due to the bank pyramid schemes, and has not fully recovered. Due to the low level of development of the country in all respects, political instability and insecurity, the prevalence of corruption and weak law and order, new investment has been stymied, but is crucial to accelerating the development process. Unfortunately, the government seems unable to do much, yet, to improve the commercial law framework and its enforcement for private business. USAID will provide a continuing focus in this area. USAID also is providing direct support to the European Union's customs reform assistance.

Domestically produced inputs and agricultural products are not reliably standardized or graded. Several of USAID's activities focus on improving these practices, namely in the dairy and other agricultural areas. Licensing is successful because it usually involves a small fee paid to a notary, but grading, certification, and taxation are still affected by administrative weaknesses of a non-transparent framework that encourages corruption and poses little risk for the violators.

The Land Tenure Center facilitated the registration of 330,000 property titles during 1999, bringing the total property registrations to 1.7 million. The titling of property eventually will create a property market (some transactions are being recorded now), stimulate investment in

improvements, enable banks to lend on mortgages (just beginning), and support other borrowing. In two years this effort will evolve into a self-sustaining land registry system. An estimated 3 million urban and rural properties existed post-privatization and nearly all of these will be registered with USAID support.

USAID projects have proven they can create sustainable networks of entrepreneurs based on the trade association concept. The Albanian Fertilizer and Agribusiness Dealers Association (AFADA), the preeminent agricultural trade association, was primarily created to import and market fertilizers. AFADA is now a self-sustaining organization with 100% of its revenues generated from domestic sources. This association has a national generic brand name associated with safe products, its own building and staff, and a relatively large net worth of \$100,000. As noted above, the AFADA model is the basis for a new USAID initiative to support similar activities in seven agribusiness areas.

Microenterprise lending has reached 550 borrowers in just seven months and is expected to reach 5,000 with the current funding available; they currently have 0% in arrears. Over the next four to five years, the overall approach will be to “graduate” participants: informals become formals, non-bank finance gets channeled through banks to employment-creating and creditworthy businesses.

Private sector development is supported through academic programs: (1) the Fultz School, a high quality technical high school targeting competency-based training; (2) the University of Nebraska MBA training program, and (3) a network of business assistance centers in Tirana and other urban centers. Many graduates have started or expanded their own businesses, while others have found higher paying jobs.

The Albanian American Enterprise Fund (AAEF) has a portfolio of approximately \$15 million in 20 projects. The AAEF owns 100% of the newly formed American Bank. Since its opening in November 1998, the ABA has been successful in attracting local deposits, presently more than \$45 million, but the bank has a loan portfolio of only \$5 million because of restrictive banking regulations. In many of its other loans and deals the AAEF has been negatively affected by the inadequate commercial legal environment.

The contractor assisting in the privatization of four medium-sized enterprises (brewery, pharmaceutical plant, dairy, and winery) is in place, but faces serious obstacles. The Minister of Privatization has been changed twice in the last 5 months.

Possible Adjustment to Plans: USAID may add a more focused commercial law reform component (requiring greater definition but probably focusing on drafting, improving, or enforcement of laws on companies, contracts, bankruptcy, land, concessions, business licensing, etc.); and may recommend the reduction of AAEF assistance until such time that the business environment is improved. Considerable additional focus will be given to the provision of finance and marketing advice for the private sector. Attention will be given to the results of the watershed assessment (SO 1.6), to be completed within 18 months, to determine if there is any direct link with this strategic objective. The World Bank is already funding activities in

environmental safeguards and irrigation system maintenance. There may be opportunity to coordinate efforts.

Other Donor Programs: The EU and World Bank are active in the sectors affected by this strategic objective. The linkages are deliberate and well coordinated. The GTZ has financed the Fund for Enterprise Finance and Development (FEFAD), a project-turned-bank that is serving medium-sized entrepreneurs. The WB has funded the BESA program, which finances small entrepreneurs needing loans in the \$2,000 to \$10,000 range. EU PHARE has provided 45% of the total financing \$11.7 million, for the property registration project and good cooperation is noted over the 7 years of the project. The EU and the World Bank are supporting customs reform and USAID assistance is fully integrated into the EU Customs Advisory Mission's work. The EBRD's Albanian Development Fund links with USAID's AAEF activity.

Principal Contractors, Grantees or Agencies: USAID implements these activities through the University of Wisconsin Land Tenure Center, Albanian American Enterprise Fund, Deloitte & Touche, Land O'Lakes, IFDC, ACDI/VOCA, World Learning International, Booz-Allen, Opportunity International, Harry Fultz School, University of Nebraska, the East-West Management Institute and the Department of Commerce.

SO 1.3: Performance Data Tables

STRATEGIC OBJECTIVE: 1.3 Accelerated development and growth of private enterprises APPROVED: May 1996 COUNTRY/ORGANIZATION: USAID/Albania			
INDICATOR: Number of private sector enterprises.			
UNIT OF MEASURE: Cumulative number (000) <hr/> SOURCE: INSTAT <hr/> INDICATOR DESCRIPTION: Number of legally registered enterprises. New registrations less inactive enterprises. <hr/> COMMENTS: Will not serve as primary indicator after FY00.	YEAR	PLANNED	ACTUAL
	1991 (B)	26	
	1996	62	56
	1997	68	62
	1998	75	56
	1999	82	57
	2000	90	
	2001	TBD	

STRATEGIC OBJECTIVE: 1.3 Accelerated development and growth of private enterprises APPROVED: May 1996 COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.3.1 Commercial business regime improved			
INDICATOR: Quantity of foreign investment			
UNIT OF MEASURE: Dollars (millions) <hr/> SOURCE: INSTAT, IMF, BOA <hr/> INDICATOR DESCRIPTION: Total investment in Albania from foreign sources in past year. <hr/> COMMENTS: *Actual results corrected based on official statistics. **- Unofficial Estimate. Official data available after April 30th each year. GOA sources.	YEAR	PLANNED	ACTUAL
	1991 (B)		10
	1996	80	90.1*
	1997	90	47.5*
	1998	100	45*
	1999	110	43**
	2000	120	
	2001	120	

STRATEGIC OBJECTIVE: 1.3 Accelerated development and growth of private enterprises			
APPROVED: May 1996			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.3. 2			
Business support services improved			
INDICATOR:			
Number of clients receiving business services.			
UNIT OF MEASURE: Active business clients a) Male b) Female SOURCE: Contractors: IFDC, LOL, OI, and ACDI/VOCA INDICATOR DESCRIPTION: Clients are of USAID-supported activities, by gender. COMMENTS: Data by gender were not collected in 1996. Actual results in 1999 most likely due to difficult conditions for carrying out such activities during part of the year.	YEAR	PLANNED	ACTUAL
	1991	0	
	1996	600 (a+b)	518 (a+b)
	1997	700 (a+b)	1255 (a)
			1401 (b)
	1998	1911 (a)	1893 (a)
		2156 (b)	1286 (b)
	1999	2179 (a)	1344 (a)
		2378 (b)	393 (b)
	2000	2236 (a)	
		2396 (b)	
	2001	TBD	

PROGRAM: ALBANIA

TITLE: A More Competitive and Market-Responsive Private Financial Sector, 180-SO1.4

Mission Self-Assessment : On-track

Summary: Activities under this strategic objective assist in developing the fundamental institutions and elements of a private financial sector. This SO links with the E&E Bureau's SAA#1, Economic Restructuring and Growth, and the MPP goal of Broad-based Economic Growth. Currently there are 11 private banks, primarily foreign banks formed to finance trade, but they are allowed to hold deposits and several are pursuing term lending opportunities. Two state-owned banks remain; Savings Bank with 75% of total deposits and National Commercial Bank with 10% of total deposits are to be privatized. The National Commercial Bank will become a joint venture between a Turkish bank and the International Finance Corporation. A law for the privatization of the Savings Bank is under consideration by the Parliament, and the U.S. Treasury will resume its assistance under this strategic objective later this year, focusing on the privatization of this bank. USAID advises the banking supervision unit in the Bank of Albania, which inspects the operations of state-owned and private banks. USAID has also supported the passage of a collateral law and is developing a centralized, self-sustaining collateral registry, which will serve the banking sector as well as other creditors. Assistance has been provided to design a real-time gross settlements system (RTGS) and an interbank communications network. Previous USAID efforts in developing a capital market have proven premature.

Key Results: The challenge facing Albania has been to develop the fundamental institutions and elements of a well-functioning financial sector. Thus, the key results address many of the critical elements required for a reasonably well functioning financial sector, in ways that will augment institutional capacity. Three indicators best demonstrate the progress of this SO; the first has been previously reported, the latter two have been reported, but not judged to be key:

- (1) *Percent of credit funds extended that is used by private enterprises.* This important indicator reveals whether the financial markets are serving the private sector.
- (2) *Deposits held by private banks.(New)* This is an excellent measure to determine confidence by the public in newly formed private banks. Increases from year-to-year would measure the levels of increasing confidence and growth in economic prosperity. In the next several years, deposits in private banks will also reflect the effects of privatizing the two remaining state banks.
- (3) *Loans made by private banks.(New)* This measure indicates whether the private banks are active in supporting economic growth in the country.

Although indicator performance was not as expected, deposits held in private banks increased from 13.7 billion in 1998 to 28.6 billion leks in 1999 (\$204 million), an increase of 208%, indicating growing confidence in these banks by Albanians – especially when compared to the overall increase of savings at all banks. Loans by private banks also increased from 4.6 billion to

7.6 billion leks (\$54.3 million), an increase of 163%. USAID proposes to use these two indicators in the future as measures of the growth in private sector banking.

Performance and Prospects: USAID plays a leading role in establishing a sounder, more regulated and efficient banking system through its banking supervision program. The best indicator of this is the increased percentage of banking deposits in the entire system, which experienced a 32.9% increase, reflecting greater confidence by the public in this sector. USAID assisted in strengthening the Bank of Albania's supervision department to regulate and monitor the banking system, enforce banking laws and regulations, and strengthen the bank licensing and liquidation policies.

With USAID assistance the GOA passed a Collateral Law in October 1999. This law applies specifically to lending secured by movable property (such as inventories or equipment) as collateral. A centralized system registry for collateral, located in the Ministry of Finance, will be initiated in mid-2000 that will reduce risk to creditors. Lenders will be able to request searches through the registry prior to making a loan. A future performance indicator will provide information on the number of registrations made, indicating an expansion of lending due to this system.

The Savings Bank, which holds 75% of total deposits, continues in parlous condition. The Bank has the most extensive branch system currently existing in the banking sector. Privatization, whether through break-up and sale of its branches/accounts to other banks, liquidation or other means, will have a major positive impact upon the sector. The U.S. Treasury will play a significant advisory role in this. It is expected that the bank will be advertised for sale in September 2000, with the selection of a buyer by year-end 2000.

USAID has been assisting the BOA by preparing a strategy for a real-time gross settlement system. This has included drafting of the user requirements for the system and the education of the banking community on its advantages. USAID has also designed a PC-based Interbank Communications Network. This system, to be implemented and financed by the Bank of Albania, will improve reporting to the BOA by allowing commercial banks to submit regulatory data in a secure environment, in real time. It will also provide for the exchange of information on treasury bills, company shares, foreign exchange and short-term deposits in a transparent and efficient manner.

Possible Adjustment to Plans: The activities envisioned for 2000, which include the U.S. Treasury privatization efforts, the installation of the collateral registry and the final assistance for the Interbank Communications Network, will continue. Nevertheless, USAID, during its proposed strategic review this year, may subsume the banking supervision activity and other critical activities into a reformulated SO for Economic Growth.

Other Donor Programs: The IMF has taken the lead on fiscal and macroeconomic policy reform and the World Bank coordinates donor financial sector assistance. IMF currently advises the central bank governor on monetary policy. The World Bank is hiring a Chief Operating Officer to oversee the restructuring and privatization of the Savings Bank. It has been responsible for the winding up of the pyramid scheme companies, in which USAID also played a supportive role. The World Bank also is paying for the first year of operations of the collateral

registry and will be financing the RTGS system. GTZ has provided technical assistance to the National Commercial Bank, and will provide training in bankruptcy procedures as well as expertise in drafting commercial laws.

Principal Contractors, Grantees, or Agencies: Barents Group, University of Maryland/IRIS Center, World Learning International, U.S. Treasury, The Chesapeake Foundation/ACER, and the Financial Services Volunteer Corps (FSVC).

SO 1.4: Performance Data Tables

STRATEGIC OBJECTIVE: 1.4 A more Competitive and Market – Responsive Private Financial Sector			
APPROVED: May 1996			
COUNTRY/ORGANIZATION: USAID/Albania			
INDICATOR: Percent of credit funds extended used by private enterprises.			
UNIT OF MEASURE: Percent	YEAR	PLANNED	ACTUAL
	1995 (B)		58
	1996	69	74*
	1997	75	85*
	1998	80	83*
	1999	85	52
	2000	60	
INDICATOR DESCRIPTION: Proportion of credit funds used by private sector as of September of FY.			
COMMENTS: * Actual results corrected based on official statistics. Analysis incomplete for explanation for decrease in FY99. Suspect Pyramid Scheme reaction.			
	2001	65	

STRATEGIC OBJECTIVE: 1.4 A more Competitive and Market – Responsive Private Financial Sector			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.4.4 Insolvent non-bank financial schemes liquidated.			
INDICATOR: Cumulative proportion of insolvent non-bank financial schemes liquidated.			
UNIT OF MEASURE: Percent	YEAR	PLANNED	ACTUAL
	1997 (B)	NA	0
	1998	80%	80%
	1999	90%	95%
	2000	100%	
	2001	NA	
	2002	NA	
INDICATOR DESCRIPTION: Five (5) companies in Deloitte & Touche report			
COMMENTS: This indicator data corrected in 2/00 to match official records.			

STRATEGIC OBJECTIVE: 1.4 A more Competitive and Market – Responsive Private Financial Sector			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.4.6			
Level of deposits held by private banks at year-end			
INDICATOR:			
Total private bank deposits in leks			
UNIT OF MEASURE: Millions of lek	YEAR	PLANNED	ACTUAL
	1998		13,776.0
	1999		28,636.7
	2000	35,000	
	2001	45,000	
	2002		
SOURCE:			
Call reports, Bank Supervision Unit, Bank of Albania			
INDICATOR DESCRIPTION:			
COMMENTS: Proposed new indicator			

STRATEGIC OBJECTIVE: 1.4 A more Competitive and Market – Responsive Private Financial Sector			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.4.6			
Level of loans made by private banks at year-end			
INDICATOR:			
Total private bank loans in leks			
UNIT OF MEASURE: Millions of lek	YEAR	PLANNED	ACTUAL
	1998		4,663.8
	1999		7,619.8
	2000	9,000	
	2001	10,500	
	2002		
SOURCE:			
Call reports, Bank Supervision Unit, Bank of Albania			
INDICATOR DESCRIPTION:			
COMMENTS: Proposed new indicator			

PROGRAM: ALBANIA

TITLE: Increased Environmental Management Capacity Supporting Economic Growth, 180-SO1.6

Mission Self-Assessment : Not meeting expectations

Summary: This SO links with the E&E Bureau's SAA#1, Economic Restructuring and Growth, and the MPP goal of Broad-based Economic Growth. Nearly two-thirds of Albanians rely on agriculture, forest and pasture land for their livelihood, but the country's natural resource base has been undergoing severe deterioration, limiting sustained economic growth. Currently, 76% of the total forest area is classified as having low productivity; what was once timber land is now reduced to shrubs and coppice, good only for fuelwood and fodder. Mismanagement and overgrazing of pastures has deteriorated this resource as well. Some areas are heavily affected by erosion.

Given the magnitude of the environmental problem in Albania, USAID created this strategic objective in June 1998 to support two main activities: the Albania Private Forestry Development Project (APFDP) and a comprehensive watershed assessment by the USDA Forest Service. The evacuation of American personnel occurred just as the watershed activity was about to commence. As a result, it has just gotten underway in late FY 1999. The Integrated Pest Management/Collaborative Research Support Program is a new program that has also just gotten underway.

Key Results : Two key results capture the progress in SO 1.6 during 1999:

- (1) *Number of villages within USAID target areas that have at least one case of both local and private participation.* This measure of USAID activity effort increased substantially from 77 to 100 villages, demonstrating more active use of the transferred forestland.
- (2) *Number of times demonstration pilots replicated without USAID funding.* This performance indicator captures sustainable results of USAID demonstration. The results greatly exceeded targets. This is the second year in a row in which the target was greatly exceeded, so we will be adjusting the target figure this year to better reflect the actual performance.

Performance and Prospects: The APFDP, in its fourth year, has focused during the past year on two main activities: (1) the adoption of a national forestry strategy, which was approved by the Council of Ministers; (2) support of a 14-member nursery owners association and (3) facilitation of the transfer of low-lying public forest lands to komunas (village councils representing 4 to 8 villages).

Some policy reform work was undertaken in previous years, culminating in the national forestry strategy. The nurseries, now mostly self-sustaining, sold a relatively large volume of a wide variety of plant stock (fruit trees, pines, ornamentals) from their locations all over the country. Land transfers have totaled 14,600 hectares to date, with an additional 20,000 hectares expected to be transferred next year. Once transferred, most of this land is re-transferred by the komuna to

all families in the corresponding villages. The families then use the transferred land for productive purposes.

The APFDP will continue through September 2000 and should achieve the transfer of forestland to 10 to 12 komunas this year.

The fieldwork of the watershed assessment should get underway in April 2000 and will require 18 months to complete; there are seven discrete watersheds in the country, of which two will be the focus of the assessment.

The Integrated Pest Management (IPM)/CRSP signed a Memorandum of Understanding with the Ministry of Agriculture (MOA), and field assessments and training have just begun.

Possible Adjustment to Plans: USAID will review the logic and necessity of reformulating all private sector development activities under a reformulated SO. The APFDP, if possible, should transfer remaining activities under the komuna forestry development program to the World Bank. USAID will review the watershed assessment findings and recommendations before taking action; however, it is possible that some recommendations, for example, those on water resource management, would fit strategically under SO 1.3's agricultural development activities and the SO 2.3 municipal development programs. .

Other Donor Programs: The World Bank has two environmentally-related projects: a \$45 million project to restore irrigation facilities and hydrological monitoring systems and a \$30 million (\$20 million loan and \$10 million grant) highland forestry management program. The activities of World Bank and USAID in their respective forestry management programs have been closely linked.

Principal Contractors, Grantees or Agencies: Chemonics, US Forest Service, and the Integrated Pest Management/Collaborative Research Support Program.

SO 1.6: Performance Data Tables

STRATEGIC OBJECTIVE: : 1.6 Increased environmental management capacity to promote sustainable economic development			
APPROVED: May 1996			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.6.1			
Increased environmental management capacity to promote sustained economic growth.			
INDICATOR:			
Villages within USAID target areas that have at least one case of both local and private participation.			
UNIT OF MEASURE: Number of villages	YEAR	PLANNED	ACTUAL
	1995	0	0
	1996	12	13
	1997	15	32
	1998	40	77
	1999	95	100
	2000	100	
SOURCE: Albania Private Forestry Development Project (APFDP)			
INDICATOR DESCRIPTION: Base is 2800 villages. Local means communal or lower level formal/informal government. Private means for profit business and/or economic improvement.			
COMMENTS:			

STRATEGIC OBJECTIVE: : 1.6 Increased environmental management capacity to promote sustainable economic development			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 1.6.2.2			
R&D identifies environmentally friendly technology packages that are appropriate in Albania.			
INDICATOR:			
Number of times demonstration pilots replicated without USAID funding.			
UNIT OF MEASURE: Number	YEAR	PLANNED	ACTUAL
	1995	0	0
	1996	0	0
	1997	3	3
	1998	6	81
	1999	60*	80
	2000	85*	
SOURCE: Albania Private Forestry Development Project (APFDP)			
INDICATOR DESCRIPTION: Technology packages pre-defined. Replications must be 80% congruent with pilot. Extension not counted as USAID funding.			
COMMENTS: * - The target of 85 for FY2000 has been established to better reflect a realistic planning level.			

PROGRAM: ALBANIA

TITLE: Increased, Better-informed Citizens' Participation in Political and Economic Decision-Making, 180- SO2.1

Mission Self-Assessment: On-track

Summary: Activities under this SO link with the E&E Bureau's SAA#2, Democratic Transition, and the MPP goal of Developing Democratic Political Institutions and Regional Stability.

Non-governmental organizations (NGOs), independent media, and democratic political parties were unknown before the fall of communism. The international community's success supporting the development of these building-block institutions during the early democratic transition was frustrated in the aftermath of the pyramid scheme collapse and by the resulting distrust of new organizations sown throughout political and civic life.

Albania's society today continues to reflect the country's polarized environment. However, citizen participation, a critical element for the political process of a democracy, is on the increase. USAID's efforts have focused on strengthening Albanian civil society organizations that are independent of the conflicting political parties, and that have the potential of working throughout the countryside as well as in the large cities. USAID is also playing a leading role within the donor community in support of national reconciliation through preparations for the upcoming local and national elections.

These efforts benefit a wide range of politically active citizens by strengthening the organization of NGOs, as well as the linkages among them, developing the skills of young party leaders, and encouraging the growth of independent and ethical print and broadcast media. A new program will emphasize the importance of the diversity of opinions, non-violent conflict resolution, and the value of public participation. Another initiative will support citizen organizations as watchdogs in the struggle with widespread corruption in the courts and public administration. USAID is a key player in the coordinated donor effort to help organize the local elections in September 2000. USAID-supported civil society implementers will also contribute to a mass education effort to promote voter registration and participation. These are the first elections since the adoption of the new Constitution, which allows for real devolution of authority to the local level.

Key Results: Five key results represent the progress in this SO. Number 4 (below) will not be reported in the future: indicator 4 performance measures were met in FY1998. We included it this year only to confirm the validity of data. Numbers 1, 2, 3 and 5 (below) will be used to track this SO's progress in the future. In addition, two new previously unreported indicators are proposed from this point onward (see end of this section.)

- (1) *Freedom House Rating.* The Freedom House Rating for civil liberties in Albania declined in 1998-99 reflecting increased civil unrest and corruption.
- (2) *Participation in local and national elections certified by monitors as free and fair.* While local and national elections are not scheduled until 2000 and 2001, respectively, progress is being

made, albeit slowly, in developing a consensus among the parties on the preparation of a draft electoral law, formation of a Central Election Commission as envisioned by the new Constitution, and the development of a national voter registration system which could form the basis of a reliable civil registry.

- (3) *Number of Non-governmental organizations (NGOs) participating in policy formulation and implementation.* The number of NGOs influencing policy formation and implementation has increased much more rapidly than targeted. Many of these NGOs assisted by USAID are now able to access members of Parliament for the first time.
- (4) *Media legal/regulatory framework improved.* The legal and regulatory framework for media improved with the passage of the October 1998 law on broadcast media, a major success associated with the USAID program.
- (5) *Establishment of permanent professional staff in parliament.* There has been an increase of three professional staff in Parliament, as well as the opening of a public information office. On the whole, the problem of partisan dominance of issues within the legislative branch and a continuing reluctance of members of Parliament to cede some day-to-day duties to professional staff, continue to impede progress.

Performance and Prospects: In spite of the evacuation of U.S. citizens from Albania from August 1998 through April 1999, USAID advisors continued to work very closely with their Albanian counterpart organizations and local staff, many of whom distinguished themselves as leaders under difficult circumstances during this period. One measure of the successful continuation of their programs is the passage of the Constitution by popular referendum in the fall of 1998, supported by most of the civil society implementers. USAID projects turned what resources they could to helping their Albanian counterparts provide support to the refugees during the summer, and since then have redoubled their efforts in all programs now that U.S. presence in Albania is back up to, and even beyond, pre-1998 evacuation levels. During the Kosovo crisis, for example, the Albanian Youth Council mobilized 600 volunteers to provide assistance at the local level.

Albanian civil society organizations, half of which are run by women, will serve as the backbone of USAID's planned initiative for anti-corruption and conflict resolution. Several organizations in this sector are coordinating their activities around the local elections and developing synergy with the implementers of USAID's local government programs. USAID plans to move quickly to build upon any potential momentum at the local level following the elections (SO 2.3.)

Possible Adjustments to Plans: Civil society activities were difficult to manage from a distance during the evacuation. Since the return of U.S. personnel in May 1999, activity has increased and will continue to do so with an emphasis on rural and locally based activities expanding beyond Tirana as the security situation allows. The new programs that could not be initiated in conflict resolution, NGO support, and anti-corruption are poised to start now that USAID is back in country and staffed.

USAID is considering re-directing some of the activities of the grantees operating under this SO to reflect a much greater emphasis on the local elections scheduled for September 2000. In addition to grantee-implemented activities, discussions have been held with USAID's Office of Transition Initiatives with regard to its Albania resources being directed in part to the local elections.

Other Donors Programs: Denmark, Norway, the Netherlands, and the UNDP continue to offer support local NGOs. The OSCE, while providing only limited funding, now has a full-time person designated to work directly on NGO support throughout the country. The OSCE, UNDP, USAID (through IFES), and other bilateral donors, are coordinating efforts in the development of election laws and a national voter registration system. Soros, the BBC, and individual embassies are pooling efforts on several media projects. The Council of Europe and the OSCE support parliamentary and political party activities.

Principal Contractors, Grantees, or Agencies: USAID implements on-going activities through the following: the National Democratic Institute (NDI), the International Republican Institute (IRI), the International Center for Not-for-Profit Law (ICNL), the International Research and Exchanges Board (IREX), the International Foundation for Election Systems (IFES), the American ORT Foundation, and World Learning International.

SO 2.1: Performance Data Tables

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision- making			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INDICATOR: Freedom House Rating of Albania's Civil Liberties			
UNIT OF MEASURE: Freedom House Rating SOURCE: Freedom House, <i>Freedom in the World</i> . INDICATOR DESCRIPTION: In its annual survey of <i>Freedom in the World</i> , Freedom House ranks the level of civil liberties on a scale of 1 to 7, with 1 indicating the greatest degree of civil liberties. This score for civil liberties is combined with the score for political rights to classify countries as "Free", "Partly Free" or "Not Free." COMMENTS: According to Freedom House analysts, Albania's civil liberties rating fell from 4 to 5 due to increased civic unrest and corruption. Freedom House indicators provide a general year-to-year overview of the state of democracy in a given country. However, the general measures employed by Freedom House miss the nuances of democracy and governance programming at the Mission level. Therefore, while turning to the ratings for context, USAID cannot rely on these broad generalizations alone to measure SO performance. The mission plans to closely monitor this indicator to ensure it accurately reflects the GOA's performance under this SO.	YEAR	PLANNED	ACTUAL
	1989		7
	1990		6
	1991		4
	1992		3
	1993		4
	1994		4
	1995		4
	1996		4
	1997		4
	1998	3	5
	1999	4	5
	2000	4	
	2001	3	

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making APPROVED: May 1998 COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 2.1.2 Free and Fair Elections			
INDICATOR: Participation in local and national elections certified by monitors as free and fair			
UNIT OF MEASURE: Elections certified by monitors as "free and fair"	YEAR	PLANNED	ACTUAL
	1991		No
	1992		Yes
	1993		NA
	1994		NA
	1995		NA
	1996		No
	1997		NA
	1998		Yes ¹
	1999	No elections	
	2000	Yes	
	2001	Yes	
SOURCE: Organization for Security and Cooperation in Europe (OSCE)			
INDICATOR DESCRIPTION: International and domestic monitors certify elections as "free and fair"			
COMMENTS: In 1998 there were only partial local elections. The referendum on the constitution marked an important vote and, as such, for 1998, USAID has decided to report on whether or not the referendum was declared Free and Fair.			
Local elections are scheduled for October 2000. National elections are to be held by April 2001 at the latest. There is a risk that the opposition will boycott the upcoming local elections or will refuse to accept the results of those elections. Both sets of elections are critical to national reconciliation and the continued development of democracy and a market economy in Albania.			

¹ A referendum was voted on in FY99 (November 1998). USAID/Albania has decided to base the FY98 indicator on the referendum because the support from USAID and its partners largely took place in FY98. The local elections planned for FY00, and national elections planned for FY01 will serve as planning targets.

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 2.1.3			
NGOs participating in political, social and economic decision-making			
INDICATOR:			
Number of NGOs participating in policy formation and implementation			
UNIT OF MEASURE: NGOs	YEAR	PLANNED	ACTUAL
	1995		4
SOURCE: American ORT	1996	29	18
	1997	40	47
INDICATOR DESCRIPTION: NGOs that build constituencies around issues and advocate policy change.	1998	47	120
	1999	50	60
	2000	55	
	2001	75	
COMMENTS: A large number of NGOs were mobilized in FY98 as a result of the debate surrounding the Constitution. In FY99, the number fell off as expected but exceeded target as many NGOs re-focused on their core missions. NGO mobilization is expected around both the local and national elections in 2000 and 2001 respectively.			
This Indicator will be replaced by a new one shown below.			

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 2.1.3			
NGOs participating in political, social and economic decision-making			
INDICATOR:			
USAID Europe & Eurasia Bureau NGO Sustainability Index			
UNIT OF MEASURE: Final Average Rating	YEAR	PLANNED	ACTUAL
	1997		4.4
	1998		4.2
	1999		4.8
	2000	4.3	
	2001	4.0	
SOURCE: USAID Europe & Eurasia Bureau			
INDICATOR DESCRIPTION: Seven dimensions of the NGO sector are analyzed in the Index: 1) legal environment, 2) organizational capacity, 3) financial viability, 4) advocacy, 5) public image, 6) service provision, and 7) NGO infrastructure. The Index uses a seven-point scale to facilitate comparisons with the Freedom House <i>Freedom in the World</i> indices, with 7 indicating a poor level of development and 1 indicating a very advanced NGO sector.			
COMMENTS: There are two major changes from the previous two years in the 1999 USAID Europe & Eurasia Bureau NGO Sustainability Index which make comparisons with previous years more difficult. 1) Scoring has been made more rigorous and comprehensive through the addition of two new dimensions of NGO sustainability – service provision and sectoral infrastructure. 2) A more refined and objective scoring process has been used.			
The addition of the two new dimensions exacerbated what was already a slight drop in Albania Index. Instead of falling to 4.6 from 4.2, the Index retreated to 4.8. The two new measures happened to measure precisely those areas where Albanian NGOs are weakest today.			
While there are as many as 600 NGOs registered in Albania and one half of these are active, the NGO law is still awaiting passage and will probably be held up until the other civil codes are established. Albanian NGOs are still largely donor driven and are recovering from a donor emphasis on advocacy over service provision and community development, a focus more likely to encourage the development of real constituencies around NGOs in Albania.			
Proposed new indicator.			

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making APPROVED: May 1998 COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 2.1.4.1 Media legal/regulatory framework improved			
INDICATOR: Media laws comply with international laws, norms and standards			
UNIT OF MEASURE: Yes/No SOURCE: International Research and Exchanges Board (IREX) ProMedia/Albania INDICATOR DESCRIPTION: Adoption (and implementation) of legislation governing broadcast media COMMENTS: The law on broadcast media was adopted in October 1998 and represents a major step forward for the independence of the media. This indicator was met and will be discontinued	YEAR	PLANNED	ACTUAL
	1995		No
	1998	Yes	Yes
	1999	Yes	Yes
	2000	Yes	
	2001	Yes	

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making APPROVED: COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.1.4.4 Major electronic media outlets are independent			
INDICATOR: Combined Gross Advertising Revenue at Major Electronic Media Outlets			
UNIT OF MEASURE: US Dollars SOURCE: International Research and Exchanges Board (IREX) ProMedia/Albania INDICATOR DESCRIPTION: IREX has developed a strong working relationship with leading electronic media outlets in Albania. Based on analysis and development of business plans for the outlets, IREX has provided estimates for gross revenue for the following three television stations: 1) KLAN TV, 2) TV Albania, and 3) Teuta, based in Durres. COMMENTS: Analysis of media use patterns and content indicates that electronic media will lead the development of the media sector in Albania. Gross advertising revenue is being tracked as a measure of the growing privateness and the potential independence of national media in Albania. Currently, most media are in the thrall of one or two major political sponsors. Proposed new indicator.	YEAR	PLANNED	ACTUAL
	1998		
	1999		\$85,000
	2000	\$102,000	
	2001	\$125,000	

STRATEGIC OBJECTIVE: 2.1 Increased, better informed citizens' participation in political and economic decision-making APPROVED: May 1998 COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.1.5 Improved effectiveness of Parliament			
INDICATOR: Establishment of permanent professional staff in Parliament			
UNIT OF MEASURE: Number of non-partisan staff positions SOURCE: International Republican Institute INDICATOR DESCRIPTION: This indicator monitors non-partisan staff positions and excludes those that are political advisers and administrative positions. COMMENTS: While meeting target, there is slow progress in establishing a permanent professional staff in Parliament, a measure of the continuing problem of partisan dominance of issues within the legislative branch and a continuing reluctance on the part of several members of Parliament to cede some day-to-day duties to professional staff.	YEAR	PLANNED	ACTUAL
	1994		0
	1996	1	0
	1997	3	2
	1998	9	6
	1999	9	9
	2000	12	
	2001	15	

PROGRAM: ALBANIA

TITLE: Legal Institutions that Better Support Democratic Processes and Market Reforms, 180-SO2.2

Mission Self-Assessment: On-track

Summary: Activities under this SO link with the E&E Bureau's SAA#2, Democratic Transition, and the MPP goal of Developing Democratic Political Institutions and Regional Stability.

USAID is strengthening the development of democratic legal institutions, facilitating the adoption of an accompanying legal framework in line with international norms, supporting a cadre of trained judicial and legal professionals, and working to increase access to justice for ordinary Albanians. Major setbacks to efforts under this strategic objective occurred during the governmental crises of 1996-97 and again in September 1998. The Kosovo Refugee Crisis in 1999 also severely strained the system and complicated program efforts. Despite these difficulties, the Albanians adopted a democratic constitution by popular referendum in November of 1998 and are implementing it, albeit haltingly. The direct beneficiaries of activities under this strategic objective are the members of the Albanian legal and judicial communities, members of the nascent private sector, and indirectly, the Albanian public at large.

Key Results: The following key results were adopted under this SO:

- (1) *Legal System Restructured in the Direction of International Norms.* With the adoption of the new democratic constitution this year, the Albanians and the international community now have a broad guide for the continued democratic development of the country. USAID has built upon this recent success by supporting legal institutions and processes mandated by this fundamental document.
- (2) *Access to justice increased.* USAID has provided increased access to justice through the free legal consultations provided through non-state entities such the Women's Legal Clinic and, to be included from this year forward, the Tirana Legal Aid Society.
- (3) *Judicial and legal profession strengthened.* USAID has also supported the training of judicial and legal professionals in cooperation with the U.S. Department of Justice. By relying upon a teaching facility in Poland and expatriates from the United States and Italy, training of Albanian professionals continued despite the evacuation.

Performance and Prospects: The USAID rule of law program is focusing on (1) facilitating compliance with the new constitution among Albanian authorities, (2) promoting reform in the judiciary, (3) supporting the development of the legal profession, and (4) increasing access to (and demand for) justice through informational programs and the creation of such sustainable non-state legal institutions as private bar associations and legal aid clinics. USAID is seeking to develop synergies with civil society activities under SO 2.1 in the creation of demand for public integrity. The East-West Management Institute's commercial law training under SO 1.3 also supports SO 2.2.

Over the past year, USAID advisors assisted in drafting the governing statute and code of ethics for the National Chamber of Advocates, the leading bar association. USAID is now reaching out to municipal-level members of the Advocates Association.

USAID is also working with judges. With the Council of Europe (CoE), USAID helped established the National Judicial Association and is working to create better court administration through training on the appeals process, record keeping, budget formulation and administration, and other day-to-day duties which have often gone neglected in Albania. In a recent success, USAID's support of the National Judicial Conference enabled fulfillment of Article 147 of the constitution which requires that nine of fifteen members of the High Council of Justice be elected by this colloquium of judges. The High Council is responsible for any transfer, discipline, and removal of judges. This represents the first time the power to discipline judges has rested with any authority other than the Executive. While there is cause for optimism, only a few judges are being put in place using the new system. Most judges still owe their positions to one of the political parties.

USAID is assisting in the formation of the politically important Central Election Commission – a permanent body with the mandate to prepare, direct, and verify the conduct and results of elections and referenda. In addition, USAID's work supports the devolution of authority and public financing to the local level as envisioned in the constitution. This assistance, with its links to SOs 2.1 and 2.3, will be essential to building upon any momentum following the local elections in September of 2000.

USAID/Albania has been tracking the extent to which the legal framework and viable legal institutions are taking root. While some important work continued during the evacuation, this strategic objective proved vulnerable to the lack of U.S. presence during the hiatus. In this challenging environment USAID experienced the notable successes described above, but progress towards the achievement of this strategic objective has been thwarted in several respects. Albania still suffers from endemic corruption, fragile governmental authority, and weak legal institutions, coupled with an atomized civil society largely unable to press for meaningful change in the legal system.

Even with the adoption of the constitution, Albania has far to go before its legal system can support essential democratic processes and serve a market economy. The Albanian people believe that their judiciary is corrupt, incompetent, and politically motivated. The popularly approved constitution is a starting point; attention now must focus on its implementation. Four areas of continuing USAID emphasis are intended to ensure that laws and legal institutions support democratic processes: (1) support for Albanian judges to help them become both respected and effective; (2) efforts to help the national and regional bar associations, as well as a continuing focus on criminal justice reform and court administration; (3) support to the Magistrates School for training law school graduates, many of whom are women, to become competent judges; and (4) the presentation of courses in commercial law for judges, lawyers and law students.

USAID activities in the rule of law sector are being coordinated closely with the law enforcement and anti-corruption efforts that the U.S. Embassy is managing, including assistance through DOJ/Office of Overseas Prosecutorial Development and Training (OPDAT) and DOJ/ICITAP. The Department of Justice (DOJ) will continue to work with the police, prosecutors and defense attorneys in criminal procedures. DOJ will also continue its police training under the ICITAP program. The Mission will coordinate its programs with the Embassy's new resident advisor who is scheduled to arrive in CY 2000. In collaboration with the new advisor, other donors, and USAID advisors in the civil society sector (SO 2.1), as well as through its work with customs under SO 1.3, USAID will address corruption issues.

Possible Adjustments to Plans: The new constitution provides the Government of Albania with a good framework for building democracy, civil society, and a market economy. The challenge is to facilitate compliance among Albanian authorities with the provisions of the document and to provide greater access to justice by bringing the document to life for ordinary Albanians.

Other Donor Programs: The OSCE was instrumental in the preparation and passage of the new Albanian Constitution. The Council of Europe (CoE) continues to provide legal expertise and training for the Magistrates School in Tirana and for the Albanian judiciary. Additional donors to Albania's legal reform process are the Soros Foundation, Danida (Denmark) and GTZ (Germany).

Principal Contractors, Grantees, or Agencies: USAID/Albania implements this activity through the Alerican Bar Association's Central and East European Law Initiative (ABA/CEELI) Project, the U.S. Department of Justice, and World Learning International.

SO 2.2: Performance Data Tables

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT:			
IR 2.2.2 Legal system restructured in the direction of international norms			
INDICATOR:			
Adoption of a democratic constitution			
UNIT OF MEASURE: Yes/no SOURCE: ABA/CEELI INDICATOR DESCRIPTION: A constitution adopted through a democratic process. COMMENTS: This indicator has been achieved and will not be reported on next year.	YEAR	PLANNED	ACTUAL
	1995		No
	1996	Yes	No
	1997	Yes	No
	1998	Yes	Yes
	1999	NA	Yes
	2000	NA	
	2001	NA	

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.2.3 Citizens have legal recourse			
INDICATOR: Number of cases presented to the women's legal clinic			
UNIT OF MEASURE: Number of cases represented and defended in court	YEAR	PLANNED	ACTUAL
	1997		0
	1998	75	26
	1999	100	72
	2000	100	
	2001	125	
SOURCE: ABA/CEELI			
INDICATOR DESCRIPTION: With USAID support, the Women's Legal Clinic provides free legal services to women in need. Data represent cases that are presented to the clinic, represented and defended in court.			
COMMENTS: The clinic does not collect data on the total number of cases presented to the clinic, but estimates that 35 cases were presented. Of those, a significant number (26) were represented and defended in court.			
The targets for this indicator have been revised in the FY 2001 R4 to reflect more realistic targets for FY00 and FY01			
It is recommended that this indicator be replaced with a more comprehensive measure of legal consultations provided through all non-state entities supported by USAID. New indicator at end of this section.			

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: Judicial system engages in self-governance IR 2.2.2.X			
INDICATOR: Participation in the National Judicial Conference			
UNIT OF MEASURE: Percent judges participating (not including associate judges)	YEAR	PLANNED	ACTUAL
	1998		0
	1999		80%
	2000	85%	
	2001	90%	
SOURCE: National Judicial Conference, American Bar Association/CEELI			
INDICATOR DESCRIPTION: The National Judicial Conference, the nation's leading association of judges, is supported by USAID. The Conference has the potential to develop into an important forum for the self-governance of the judiciary. Most recently, the Conference facilitated compliance with Article 147 of the Constitution by convening and selecting 9 of the 15 members of the High Council of Justice.			
COMMENTS: Proposed new indicator.			

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: Judicial system complies with the Constitution IR 2.2.2.X			
INDICATOR: Disciplinary actions brought against judges by the High Council of Justice			
UNIT OF MEASURE: Number of disciplinary actions taken SOURCE: High Council of Justice, American Bar Association/CEELI INDICATOR DESCRIPTION: The High Council of Justice is responsible for any transfer, discipline, and removal of judges. This represents the first time the power to discipline judges has rested with any authority other than the Executive. To date, the High Council has targeted several judges for removal, mainly those judges refusing to submit to new mandatory competency exams. However, as of February 2000 these were on appeal to the Supreme Court. USAID will track the numbers of disciplinary actions taken by the High Council against members of the judiciary as a measure of the self-governance of the judiciary in compliance with the Constitution. COMMENTS: Proposed new indicator.	YEAR	PLANNED	ACTUAL
	1998		0
	1999		0
	2000	10	
	2001	15	

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.2.2.X Legal system restructured in the direction of international norms			
INDICATOR: Adoption of laws needed to bring system up to international standards			
UNIT OF MEASURE: Number of laws enacted SOURCE: ABA/CEELI INDICATOR DESCRIPTION: Count of laws enacted under the framework of the new Constitution. COMMENTS: Instituted after passage of Constitution in CY 1998. Proposed new indicator.	YEAR	PLANNED	ACTUAL
	1998	0	0
	1999	6	6
	2000	9	
	2001	12	
	2002	18	
		NA	
		NA	

STRATEGIC OBJECTIVE: 2.2 Legal systems that better support democratic processes and market reforms			
APPROVED:			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: Access to justice through non-state entities IR 2.2.2.X			
INDICATOR: Legal consultations provided through non-state entities			
UNIT OF MEASURE: Number of consultations SOURCE: American Bar Association/CEELI program INDICATOR DESCRIPTION: USAID, through ABA/CEELI, is providing free legal consultation through two non-state entities: 1) Women's Legal Clinic and 2) the Tirana Legal Aid Society. In FY00, USAID will begin supporting similar work through the Conflict Resolution Center. The number of consultations provided by these non-state entities will be tracked as a measure of access to justice. COMMENTS: Both USAID-supported clinics have or anticipate receiving substantial new resources this fiscal year. This will allow the caseload to expand substantially. TLAS currently has 75 open cases. The Women's Legal Clinic has 143. Proposed new indicator (combines two previous tables.)	YEAR	PLANNED	ACTUAL
	1995		
	1996		
	1997		
	1998		
	1999	200	218
	2000	225	
	2001	250	

PROGRAM: ALBANIA

TITLE: More Effective, Responsive and Accountable Local Government 180-SO2.3

Mission Self-Assessment : On-track

Summary: Activities under this SO link with the E&E Bureau's SAA#2, Democratic Transition, and the MPP goal of Developing Democratic Political Institutions and Regional Stability. Local governments historically have been an extension of the central government, without budgetary or operational autonomy. The Constitution, whose passage was supported by USAID, provides the underpinning for increased decentralization. During 1999 the process of decentralization moved solidly forward with the assistance of USAID, particularly in the approval of a detailed national strategy on decentralization and direct technical assistance to pilot municipalities.

USAID's local government programs have been implemented on two levels: one through the National Committee on Decentralization and its task force, and one through assistance to pilot municipalities. The most notable accomplishment has been the promulgation of a Decentralization Strategy, which delegates functions and responsibilities, and sets forth the arrangements for sharing revenues and the norms for municipal financial systems to municipalities that effectively have had no authority in the past.

In the pilot municipalities, USAID has strengthened institutional capacity by assisting in capital budgeting, training in assessing priority needs, preparing a manual on municipal financial management, as well as supporting participatory processes.

During the Kosovo crisis, some municipalities provided shelter and social services to large numbers of refugees. This was the first time they had provided such services. Their performance underlines their management capacity and potential for expanded levels of service delivery.

Key Results: The following key results were achieved under this SO:

- (1) *Number of cities implementing budget procedures based on priorities.* This measure is important in the context of Albania, where municipalities have not controlled more than a very small percentage of their budgets.
- (2) *Increase of investment in municipal services.* An important measure indicating the level at which municipalities can support improvements in their locality that would benefit their constituents.
- (3) *Number of cities with active public participation.* This measure indicates the development of democratic processes at the local level. The cities assisted are encouraged to have public hearings at which the priorities for expenditure are expressed by their constituents.

Performance and Prospects: There are 65 municipalities and 300 komunas, which constitute possible targets for this program. Considerable progress has been made in this endeavor,

especially given the extremely constrained role to date of local government. USAID advisors have achieved the following this year: (1) the formation a National Committee of Decentralization chaired by the Deputy Prime Minister and composed of representatives from the Association of Locally Elected People (municipalities, communes and districts) and the Ministry of Finance, Ministry of Local Government and its task force; (2) a detailed National Decentralization Strategy, produced by the Task Force (after 27 meetings) and approved by the Council of Ministers in January 2000; (4) identification of a series of laws needed for autonomous local government operations; and, (5) budgeting support and training in pilot municipalities.

Future efforts will focus on drafting and enacting the following laws which are required to facilitate the process of decentralization and provide more autonomy to municipalities: the organic law on local government; local budget and finance law; general law on the transfer of local public property; the law on immovable public property; the law on municipal enterprises (water, public transportation, and other revenue-generating activities); and the urban planning law.

Successful decentralization will be a result of political willingness of the Central Government to follow through with financial allocations. At that point, the process would require the following types of assistance in order that municipalities can take on their new responsibilities: training and guidance for spreadsheet preparation, data collection, cost analysis, citizens participation to set priorities, budget preparation and capital improvements planning. The municipalities should also be supported in setting up citizens assistance centers and economic development offices to establish and implement economic development plans; in implementing public/private partnerships for managing water, sanitation, health clinics, transportation and other services; and in establishing practices for citizen participation.

Possible Adjustments to Plans: No change is foreseen at the moment in this strategic objective. Synergies with strategic objective 2.1 strengthen this one; free and open local elections should set the stage for additional assistance to progressive new local administrations. Synergies will also be achieved through the rehabilitation of local infrastructure (schools, clinics, water and sanitation, etc.) which is being funded through the SEED Supplemental appropriation related to the refugee crisis. A new contract for municipal development will be finalized later this year to continue to roll out the local government program described above.

Other Donor Programs: The World Bank and a bilateral Italian program provide support in major infrastructure (water, sewerage, etc.). GTZ has provided some technical assistance and training. The Netherlands is active in local government development. The Council of Europe provides equipment to selected municipalities and supports decentralization efforts.

Principal Contractors, Grantees, or Agencies: USAID implements these activities through Development Alternatives Inc. (DAI)/Mendez-England, the Urban Institute, and World Learning International.

Table 6. SO 2.3: Performance Data Tables

STRATEGIC OBJECTIVE: 2.3 More effective, responsive and accountable local government			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 2.3.2			
Local government capable in budgeting, managing, planning, implementing and reporting			
INDICATOR: Number of cities implementing budget procedures based on priorities			
UNIT OF MEASURE: Number of cities SOURCE: PAP/A INDICATOR DESCRIPTION: Cities are counted as implementing budget procedures based on priorities if they budgeted according to their priorities and obtained funds for those priorities, especially from non-government sources . COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		0
	1997	2	2
	1998	3	2
	1999	3	7
	2000	4	
	2001	6	

STRATEGIC OBJECTIVE: 2.3 More effective, responsive and accountable local government			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.3.3			
Local government provides improved services			
INDICATOR:			
increase of investment in municipal services			
UNIT OF MEASURE: Millions of lek through 1998, % increase over previous year after 1998 SOURCE: Urban Institute INDICATOR DESCRIPTION: Increasing central government, donor, and municipal resources/investment in municipal services COMMENTS: The increase of the level of investment was particularly high in FY98 as donors provided additional resources to help Albania recover from civil strife and social disorder. USAID/Albania is in the process of determining whether it would be possible to exclude donor assistance from the level of investment. Proposed new indicator. TBA-To Be Announced. Official figures released annually at the end of April.	YEAR	PLANNED	ACTUAL
	1995		0
	1996		
	1997	20	0
	1998	40	384
	1999	5%	TBA
	2000	5%	
	2001	5%	

STRATEGIC OBJECTIVE: 2.3 More effective, responsive and accountable local government			
APPROVED: May 1998			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: IR 2.3.4			
Increased openness of local government			
INDICATOR:			
Number of cities with public participation in the annual budget process			
UNIT OF MEASURE: Number of cities	YEAR	PLANNED	ACTUAL
	1996		0
SOURCE: Development Alternatives, Inc. PAP/A Project	1997	2	0
	1998	4	4
INDICATOR DESCRIPTION: Cities actively inform citizens about the content of the budget and encourage citizen participation in determining priorities.	1999	5	9
	2000	12	
	2001	16	
COMMENTS: FY 2000 targets will be revised once new municipal development contracted is underway to reflect the extension of these activities to the 50+ municipalities that could receive assistance. Proposed revised indicator.			

PROGRAM: ALBANIA

TITLE: Improved Sustainability of Social Benefits and Services, 180-S03.2

Mission Self-Assessment: On-track

Summary: This strategic objective is to improve the sustainability of health benefits and services in Albania with an emphasis on women's health. Activities under this SO link to E&E Bureau's SAA#3, Social Transition, and the MPP goal of Improving General Health Care.

Albania has the least developed public health system in Central and Eastern Europe. The vast majority of the country's health care facilities are dilapidated and outdated. The health delivery system emphasizes curative services over primary and preventive care and suffers from poor planning and weak management capacity. The country's prior isolation, official pronatalist policy, paucity of information, and lack of family planning alternatives have resulted in high mortality and morbidity rates for women. Abortion has become an acceptable form of family planning. Finally, the influx of refugees from Kosovo strained an already overburdened system to the breaking point.

Efforts to increase the efficiency and lower the cost of health services will reduce the social investment required to maintain a healthy population and will bolster the productive capacity of Albania's people. Medical professionals (doctors, nurses, technicians and managers) are the channels through which USAID's projects are functioning, with the primary beneficiaries being Albanian citizens seeking quality health care. Women in Albania are gaining access to family planning information and services never before available in this country.

Key Results: Despite the evacuation of US personnel and influx of refugees, USAID has been able to provide assistance in the following areas:

- (1) *Improved reproductive-health practices.* Reliance on abortion and lack of familiarity with modern reproductive health methods contribute to the high maternal mortality rates. USAID's program emphasizes information dissemination, family planning counseling, improved access to services, and provision of higher-quality services.
- (2) *Improved hospital services.* USAID is assisting Albanian hospitals to modernize their administrative procedures, clinical methods, and financial management. Through partnership arrangements, USAID's program is introducing improvements in administration, nursing, maternal and childcare, emergency medicine, and infection control.
- (3) *Improved Health Administration and Management.* USAID's program is helping to improve management skills and training, both at the ministerial and at the health provider levels.

More than 1,400 service providers, trained in five districts of Albania, are now providing upgraded women's reproductive health services at 296 improved sites, recently furnished by USAID with reproductive-health clinical equipment and other essential items. Training of additional providers is underway, and the program will be expanded nationwide. In addition, information, education, communications and logistics management activities contribute to strengthening the service

delivery points and private pharmacies throughout Albania. An intensive countrywide multimedia campaign especially focused in the five program districts commenced in 1999 by launching the National Quality Family Planning Services Logo. This campaign is increasing public awareness of where to seek reproductive health and family planning services and is stimulating public use of these services. USAID is leveraging its contribution through logistics management in support of nationwide contraceptive distribution by the United Nations Population Fund (UNPF). Under very difficult circumstances, an Albanian national was able to manage the project during the evacuation. While not meeting all the results envisioned under the Family Planning Service Expansion and Technical Support (SEATS II) project, momentum was maintained and a foundation for future work was laid.

The planning capacity of the Ministry of Health (MOH) needs continued improvement through management training, computerization, and a hospital facilities survey. A Learning Resource Center, which has been opened at the National Institute of Public Health, provides access for students and faculty to modern management literature and research through the Internet. Health management courses are being planned. Until the evacuation, four Tirana hospitals were to have received extensive training in emergency medical services through a partnership program with Spectrum Health of Michigan. Albanian nurses from across the country met with other nurses from throughout Central-Europe and the former Soviet Union and returned home to establish an Albanian nursing association. This association will help the MOH to establish national standards for nursing accreditation. As part of the USAID program, nurses are now receiving in-service training opportunities to improve their skills and enhance their status in the health care system.

The Government of Albania is aware of the urgent need to revitalize and modernize its health care system but lacks resources and has been slow to act. Working with USAID advisors, key health care administrators are acquiring the knowledge and skills needed to manage more efficiently and effectively at the central level (the Ministry of Health) and at the district, hospital and polyclinic levels. Durres Hospital and University Hospital Center of Tirana have implemented techniques to improve hospital operations; they are beginning to serve as models for the rest of the hospital system. Under the communist system, there was an inappropriate allocation of resources; the number of hospital beds is now being reduced to reflect the shift toward a more responsive primary health care system. At Durres Hospital, where the main building collapsed in 1995, a strategic planning process has matched available resources with a long-range plan for a replacement hospital. At the University Hospital Center, administrative and medical records were computerized. In both hospitals, pharmaceutical and medical supply purchasing and distribution have been computerized. Several national conferences have been held to share the information and management techniques developed at the pilot hospitals with over eighty hospital managers and administrators from all over Albania.

Performance and Prospects: The implementation of this strategic objective was frustrated by the August 1998 evacuation and travel restrictions. With the return of the American staff, the work returned to its intended levels. With the return of normality, it is opportune time to review the health situation in the country and re-examine the Mission's strategic objective.

Possible Adjustments to Plans: USAID/Albania intends to reformulate this SO in terms of the Mission's manageable interests to achieve sustainable health care within our resource constraints.

To this end, USAID/Albania has scheduled a health reassessment to take place in April 2000. Along with a newly focussed objective, the Mission will identify indicators that more directly measure the results of the USAID program.

Government of Albania health expenditures have been falling for the past five years. International donors, too, have chosen to emphasize other areas of assistance during this same period. It now appears that the World Bank and IMF may be shifting to a greater focus on the social sector. USAID/Albania's assessment will attempt to capitalize upon renewed donor interest in this area while leveraging USAID's limited resources for work under this strategic objective.

Other Donor Programs : The World Bank is supporting the reconstruction of rural hospitals throughout Albania. The University of Montreal and the Paris Hospital System are providing planning assistance and management training to the Ministry of Health. The United Nations Development Program (UNDP) has provided health care manuals to medical facilities. Switzerland is strengthening the nursing school capacity. The European Union has a Public Health Facilities Maintenance project and has supported capacity building within the Ministry of Health. The United Nations Population Fund (UNFPA) is providing a significant amount of contraceptive commodities. The Italian Government is providing assistance to the Mother Theresa Hospital.

Principal Contractors, Grantees, or Agencies: USAID's current implementers are the American International Health Alliance, John Snow, Inc., the U.S. Department of Health and Human Services, and World Learning International.

Table 7. SO 3.2: Performance Data Tables

STRATEGIC OBJECTIVE: 3.2 Improved Sustainability of Local Benefits and Services APPROVED: May 1996 COUNTRY/ORGANIZATION: USAID/Albania			
INDICATOR: 3.2.1 Infant and maternal mortality			
UNIT OF MEASURE: Number of infant deaths per 1,000 live births And Number of maternal deaths per 100,000 births <hr/> SOURCE: Instat <hr/> INDICATOR DESCRIPTION: Death certificates <hr/> COMMENTS: While infant and maternal mortality rates are commonly accepted indicators in the health and social services sector, these measures are too high level and are associated with too many factors to serve as an accurate measure of USAID's programmatic success in Albania.	YEAR	PLANNED	ACTUAL
	1994		35.7
			40.6
	1996	34	33.2
		35	not avail.
	1997	31	33.2
		30	39
	1998	29	20.4
		26	39
	1999	27	25
		23	23
	2000	25	
		20	
	2001	TBD	

STRATEGIC OBJECTIVE: 3.2 Improved Sustainability of Local Benefits and Services APPROVED: May 1998 COUNTRY/ORGANIZATION: USAID/Albania			
INDICATOR: 3.2.3 Number of contributors to Health Insurance Fund			
UNIT OF MEASURE: Thousands of contributors <hr/> SOURCE: Health Insurance Fund <hr/> INDICATOR DESCRIPTION: Number of people covered by health insurance <hr/> COMMENTS: TBA - To Be Announced. Official Government figures are released late April each year. The GOA data will be monitored for accuracy. This indicator will not be reviewed next year.	YEAR	PLANNED	ACTUAL
	1996		342
	1997		305
	1998		305
	1999	503	TBA
	2000	525	
	2001	550	
	2002	600	

STRATEGIC OBJECTIVE: 3.2 Improved Sustainability of Local Benefits and Services			
APPROVED: May 1996			
COUNTRY/ORGANIZATION: USAID/Albania			
INTERMEDIATE RESULT: 3.2.1.2 Reproductive health services quality improved.			
INDICATOR: Number of Service Delivery Points (SDPs) actively providing reproductive health services.			
UNIT OF MEASURE: Number of SDPs (not including private pharmacies) <hr/> SOURCE: John Snow, Inc. <hr/> INDICATOR DESCRIPTION: Polyclinics, pharmacies, health centers, maternity hospitals. <hr/> COMMENTS: This indicator will be reviewed this year.	YEAR	PLANNED	ACTUAL
	1995		2
	1996	10	18
	1997	20	30
	1998	40	108
	1999	220	350
	2000	470	
	2001	590	

PROGRAM: ALBANIA

TITLE: Special Initiatives, 180-SO4.1

Mission Self Assessment: On-track

Traditionally the mission's reporting in this section has reflected very specific, time-limited activities. With the absorption of USIA into State Department and USAID/Albania participating in several high visibility regional activities, the reporting for these SOs will be modified this year. This modification will allow us to better coordinate our reporting with the Embassy staff and better integrate the mission's results into the Department of State's Mission Performance Plan. SO #4.1, Special Initiatives, previously included USIA fellowship, training and media programs. They now cover one-time activities that are time limited and do not fit neatly into our portfolio. SO#4.2, Cross-cutting Programs, previously covered USAID inter-sectoral training. They now include former USIA and regional activities as well as our continuing inter-sectoral training.

SEED Supplemental. In late FY 1999 Congress approved additional resources for the region. Albania received \$18.372 million dollars in supplemental funding to provide emergency support to Kosovo refugees and the communities that housed them, particularly in selected areas of need where USAID can be most effective. The program, called the **Albania Refugee Community Relief Program**, is designed to improve the capacity of communities strained by the heavy influx of refugees to manage conflict, supply a minimal level of health care, and provide access to basic amenities, such as water and sanitation. There are three major components to the program:

Municipal Infrastructure Support Program (MISP). Funding level: \$10.372 million. Performance: Late FY99 funding precluded any measurable impact. Contract procurement is underway. The MISP program seeks to rapidly address the urgent need to repair the damage to infrastructure, services, and the environment caused by the influx of refugees. This twelve month program seeks to quickly rehabilitate weakened facilities and services essential to support basic community needs. MISP activities are targeted in pre-qualified municipalities among subprojects identified by the GOA and donors. The results to be measured in achieving primary MISP objectives are improvements in specific services, municipal infrastructure, and the environment as supported by the individual activities under this program. Secondary results will be the communities working together with government to make decisions and solve problems, improved capacity of local contractors, and increased employment and income generation in project areas.

Social Sector Rehabilitation and Support Program (SSRS). Funding level: \$7.0 million. Performance: Late FY99 funding precluded any measurable impact. The assistance agreement is in process. Prior to the arrival of the Kosovo refugees, Albania's social sector infrastructure showed signs of serious deterioration from lack of resources and from neglect as well as the migration of impoverished families to the cities. With the arrival of the refugees, however, these delivery systems were pushed beyond their limits, resulting in the depletion of

medical and school supplies, equipment requiring repair, staffing shortages, and rapid deterioration of physical structures. This program is designed to rehabilitate clinics, rural hospitals, and schools, while enhancing the local staff's skills and available resources.

Weapons for Development. Funding level: \$1.0 million. Performance: Late FY99 funding precluded any measurable impact. This program is supported through a PIO Grant with UNDP which is in negotiations. This is part of an on-going community development and rehabilitation program managed by the UNDP. USAID support, along with other donor funds, will enable the UNDP to expand the program into the Elbasan District, which housed a high concentration of refugees. In exchange for the return of weapons, UNDP, in cooperation with local communities, undertakes rehabilitation projects to repair or upgrade local infrastructure and facilities.

ESF Support. USAID, through the Albanian Government Support Grant (AGSG), provided \$12.0 million of FY 1999 supplemental funds for budget support to the government of Albania to help mitigate the tremendous negative impact of the Kosovo crisis on the GOA by covering part of the unbudgeted expenditures incurred as result of the massive inflow of refugees from Kosovo. A total of \$11.88 million will go to the GOA to help offset the large on budget costs of addressing the needs of refugees. The remaining \$120,000 was granted separately to the World Bank to support its Public Expenditure Tracking Study (PETS), which will monitor expenditures made by ministries receiving AGSG funds.

The AGSG was provided as a cash transfer for general budget support to help underwrite the GOA's Public Expenditure Support Program (PESP). The PESP's aim is to promote budget discipline and allow the GOA to continue essential services and maintain structural adjustment programs, as it coordinates relief efforts. The decision as to which services are continued will be the responsibility of the GOA, not USAID. Performance: FY99 funds were not obligated until the signing of the Grant Agreement in early FY2000, so there was no activity in this reporting period. A principle CP of the Grant will be met when the World Bank signs the contract for the PEST activity.

PROGRAM: ALBANIA

TITLE: CROSS-CUTTING PROGRAMS, 180-SO4.2

Mission Self-Assessment: On-Track

The activities reported under this strategic objective include:

- The World Learning International participant training program
- Special initiatives undertaken by USIA.

Participant Training

During this period, 173 Albanians took part in 22 short-term participant training programs. Ninety-four trainees participated in short-term, tailored training programs in the U.S., typically for 3 weeks. Another 79 took part in a training that was either tailored one-week programs or conferences held in another Central or Eastern European country. Two in-country training programs also were sponsored.

Forty-six percent were women. This strong gender success, despite the difficulty in identifying women leaders, is attributable to USAID/Albania's continued commitment to training women. The USAID tactic is to identify sectors in which women decision-makers are working, as well as to include capable women in other group programs.

Participant training focused on training groups of people who could play a critical role in bringing about change in their organization, institution or sector. From the experience of this program, training a group of people working in a particular sector greatly increases the opportunities for positive impact. The training of groups breaks down the barriers between individuals, an important sociocultural factor in Albania, and several groups have returned to work together in their profession or trade association in a visibly improved way.

Strong institutional focus in this program resulted in a number of training interventions in support of the law faculty, which trains all the magistrates and other legal professionals. As a result of a needs analysis of the Law Faculty, a course was developed for better teaching and course management skills. Training was also provided to improve the secretarial and computer skills of 12 administrative staff members. According to the dean, this program produced immediate, tangible results. Following this program, the law faculty closed for one week while the entire administrative staff attended training in the Czech Republic to observe systems and procedures to better support professors and students. After that training, the staff began computerizing student information, streamlining procedures, and delegating authority, the lack of which is a customary problem in Albanian organizations.

All law faculty proficient in English participated in a 3-week training program in the U.S. to learn more effective teaching methods. The teachers who participated are already encouraging more active class participation, which has positively motivated the students. To date 15 members of the law faculty have received USAID-supported training.

Due to the crosscutting nature of this strategic objective, training objectives were often established to complement the goals of other strategic objectives. For example, anti-corruption and ethics were built into the design of programs for the law faculty, health professionals, and construction firm owners. The importance of professional associations was woven into the design of programs for furniture producers, law faculty, and health professionals. The utility of moveable collateral was included in the design of programs for most private business owners in training.

The cross-cutting training programs supported USAID's other strategic objectives as follows:

- SO 1.3: trade associations, dairy processing, flour mill management, women entrepreneurship, furniture production, hotel management, cheese production and milk collection.
- SO 1.4: basic bank examination, advanced bank examination, small credit unions, share registry, secured financing conference.
- SO 2.1: NGO board functions, election administration
- SO 2.2: teacher training for the law faculty, election administration conference
- SO 2.3: private sector support of local economic development
- SO 3.2: pediatric clinic management, emergency/intensive care, and dental hygiene.

The results of the training provided under this strategic objective can be observed in the following results:

- NGO boards are showing strong leadership in guiding their organizations to sustainability.
- Supervision by the Bank of Albania of the second tier banks has been strengthened.
- Private businessmen in a number of municipalities are collaborating actively with officials to address issues of local economic development.
- In pilot municipalities there is better management of solid waste collection and disposal.
- Consumers can buy safer, higher quality milk and better, more varied dairy products.
- Better and more jobs have been created in the garment industry.
- Students at the law faculty and the Harry Fultz Technical School are learning more due to improved teaching methods and administration.
- Children in several cities, including the capital, are receiving better care and protection from illness through their pediatricians.
- Internet access was opened to Elbasan, a district city, thanks to a businessman trained in the U.S.
- The price of imported wheat is lower due to greater efficiency of the members of the flour producers association.

Special Initiatives

Small Grants Competition. Funded at \$100,000. American USIA staff members were out of the country for much of the year and implementation was impossible.

Ron Brown Fellowship Program. Funded at \$300,000. This program provides fellowships to outstanding university graduates and young professionals for graduate studies, leading to a master's degree at U.S. universities. Six fellows were recruited and selected for the program and are studying in the U.S. at the present time.

Educational Reform. Funded at \$100,000. American USIA staff members were out of the country for much of the year and implementation was impossible.

Freedom Grants. Funded at \$110,000. This program allows visits to the United States for a period of approximately two weeks. Such visits cost approximately \$40,000 per group of four to five. Twelve individual grants were awarded during the last year.

Media Training. Funded at \$150,000. This programs sends journalists for short-term training and long-term educational programs. During the last year, there were four grantees, receiving grants of \$22,000 each for a one-year program in the U.S. There were also three grant recipients who undertook short-term training in the regional at a cost of \$1,200 each.

English Teaching. Funded at \$150,000. American USIA staff members were out of the country for much of the year and implementation proved impossible.

Regional- -NGO/ Media Prevention of Women and Children Trafficking. Funded at \$150,000. This is a new activity and there have been no measurable results during this year.

Regional --Youth Conference Initiative. Funded at \$100,000. This is a new activity and there have been no measurable during this year.

Part III: RESOURCE REQUEST

The mission's strategic objectives are currently accomplished by: direct management of our OYB (NOA) program and OE funds; management or oversight of regional (and emergency) program funds transferred to the mission; the employment of USDH, PSC, and FSN staff; and, management of in-country contractors, grantees, and cooperators.

Albania continues to play a crucial role in the economy, politics and security of an increasingly volatile region making it a continuing high priority for SEED funding, despite the operational difficulties of the past year. Recent political changes in Albania, continued regional tensions, and an uncertain economic situation highlight the need for our program to retain flexibility. Taking a slightly different path than the past, the programs will need to focus on developmental as well as transitional issues in recognition of Albania's weak institutions and civil society.

In FY 00, the mission will re-evaluate its portfolio and consider possible revisions of the strategic plan with a view to increasing program impact and reducing management burden. This review will necessarily take into account the straight lined FY00-FY02 budgets and the serious space constraint imposed by the requirement that USAID co-locate within the Embassy compound. In anticipation to potential changes, this resource request is intended to maintain some flexibility, as well as to ensure programmatic continuity.

Financial Plan: Primary SO-Targeted Activities

The financial plan for FY2002 is based on the Memorandum to the Record, signed July 9, 1999 which serves as our AID/W guidance, and subsequent Mission Director's conference held in Budapest in February 2000 where the State Department Coordinator (EUR/EEA) provided country specific planning levels: \$32 million for FY2001 and FY2002, each. The resource request accommodates a straight line funding scenario.

SO#1.3: Accelerated Development and Growth of Private Enterprises. This SO, due to its strong performance and strategic importance, remains as one of the primary focus areas of our portfolio. Private sector business growth, including the agricultural sector, will be a major driving force in Albania's efforts towards economic recovery and political stability for the foreseeable future. Funding levels for the majority of activities under this SO remain constant in the agriculture sector, however, the mission will focus its activities to strengthen the private enterprise theme. In particular, we envision a new land markets program will take the work of the land registration program accomplishments to the next logical stage. It will also complement the private enterprise efforts of other ongoing programs in this SO. We expect several activities, including the Enterprise Restructuring (Privatization), CLDP, and the funding for the Albania Enterprise Funds, to come to a close between now and the end of FY 2001. We anticipate that certain elements of these activities will be incorporated into other programs in the future.

SO#1.4: A More Competitive and Market-Responsive Private Financial Sector. The focus of activities under this SO continue to support the World Bank and International Monetary Fund's work in Albania. A U.S. Treasury Adviser within the Ministry of Finance will assist with

privatization of the Savings Bank. This is a change in strategy from the previous reporting period and results from GOA's priority for this activity as well as a change in the security situation that allows the presence of the advisor. The mission will continue the Banking Supervision, FSVC, and the Collateral Law activities to support the establishment of private financial institutions and help strengthen the banking sector. A new financial sector reform activity will start in FY 2001 to assist with the commercialization of the private banking sector.

SO#1.6: Increased Environmental Management Capacity Supporting Economic Growth. As reported in other sections of this R4, this strategic objective has been seriously reconsidered over the past year. While no final decision has been made, it appears most likely that this strategic objective will become an Intermediate Result under SO#1.3. The programs currently funded under this strategic objective, agroforestry, the IPM CRSP, and the Albania Watershed Management activity are fully funded and will be completed as scheduled.

SO#2.1: Increased, Better Informed Citizens' Participation in Political/Economic Decision-Making. The mission's work in the democracy sector continues to have very high priority, which is shared with the Embassy and described in the MPP. The NGO support program will focus on conflict management as well as filling gaps in organizational development for local institutions. The NGO community will also be used as a vehicle for supporting free and fair elections and implementing a new anticorruption activity. Resources required to continue this work have been straight lined from the FY00 level.

SO#2.2: Legal Institutions that Better Support Democratic Processes and Market Reforms. This strategic objective has increased in importance as the population of Albania increases its awareness of the need for rule of law to support the democratic transition. Consistent with broader USG objectives, the mission plans to devote more resources to judicial support and legal training. Also, programs will target strengthening and planning leading ultimately to establishing self-sustaining legal institutions, such as the Bar Association, the Legal Clinic and the Magistrates School.

SO#2.3: More Effective, Responsive and Accountable Local Government. The GOA decentralization program has made significant strides during the past year and will continue to receive support by the mission. Under this objective our programming focus is decentralization through municipal development. Each year we plan to expand the number of municipalities supported through our programs through training, technical assistance and supporting participatory processes.

SO#3.2: Improved Sustainability of Social Benefits and Services. The three principal activities under this program will remain. Partnerships in Health Care, however, will receive increased funding to expand the program to other municipalities. In addition, a new health care initiative is scheduled to begin in FY 2001 and will require funding in FY2002. The new program is predicated on completion of a health sector assessment in FY 00. The assessment will evaluate our existing portfolio and provide analysis and planning for the strategy in this sector.

Financial Plan: Special Initiatives and Cross-cutting Programs

SO#4.1: Special Initiatives. This strategic objective allows the mission to capture one-time or unplanned activities that do not fall within our focused strategic plan, but for political or regional reasons, make sense for us to undertake on a one-time basis. At this time we are implementing the \$18.372 Albania Refugee Community Relief Program using FY99 Supplemental funds. This program will be completed during fiscal year 2001. No further plans for this activity are contemplated. We anticipate, however, to continue the Regional Energy Restoration program. As the details of design and implementation are developed by AID/W, this program will assist the GOA with its economic growth goals, as well as support regional objectives.

SO#4.2: Cross-cutting Initiatives. Activities in this strategic objective directly affect two or more strategic objectives or have a long-term regional perspective. Resources for this strategic objective will remain relatively constant. Our training program, in particular World Learning and support to the former USIA, remain an important part of our portfolio. Additional funds have been added to our AEPS program to enable us to move FSN project assistant staff from OE to program funds and to undertake a series of activity (project) evaluations during the transition to the new strategic plan.

C. OE and Staffing Requirements

OE funding requirements will remain essentially constant between FY2000 and FY2002. A small amount of shifting between cost centers will be necessary to respond to the anticipated increases in ICASS participation costs, the result of upgrades mandated by Diplomatic Security, and residential security upgrading. Details of our OE budget follow.

The mission's staffing level remains a major concern. The FY2000 Workforce Table reflects our present status, with several positions "on hold" due to the lack of space in our shared Embassy facility. The Embassy has been as accommodating as possible, but every square inch of space is fully occupied. Proposals to locate surplus trailers on the Embassy compound to serve as temporary office space are being reviewed by Diplomatic Security. Longer term plans for construction of additional permanent offices on the compound are being developed by FBO. Without relief through leasing near-by space, the mission remains critically under-staffed, and potentially vulnerable to weak program management oversight. This situation has been noted in our Mission Vulnerability Survey conducted this year. Workforce projections for FY 2001 and FY2002 are attached.

Table 1
Budget Request by Program

FY 2000 Budget Request by Program/Country

Fiscal Year: 2000 Program/Country: Albania

Approp: SEED

Scenario:

S.O. # , Title		FY 2000 Request													Est. S.O. Pipeline End of FY2000
	Bilateral/Field Spt	Total	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G	Est. S.O. Expenditures	
SO 1.3: Accelerated Development and Growth of Private Enterprises															
	Bilateral	15,090	7,390	6,950		750		0						13,750	1,240
	Field Spt													0	0
		15,090	7,390	6,950	0	750	0	0	0	0	0	0	0	13,750	1,240
SO 1.4: A More Competitive and Market-Responsive Private Financial Sector															
	Bilateral	1,575		1,575										1,575	0
	Field Spt														
		1,575	0	1,575	0	0	0	0	0	0	0	0	0	1,575	0
SO 1.6: Increased Environmental Management Capacity Supporting Economic Growth															
	Bilateral	200	0									200		0	0
	Field Spt	0													
		200	0	0	0	0	0	0	0	0	0	200	0	0	0
SO 2.1: Increased, Better Informed Citizens' Participation in Pol/Econ Decision-Making															
	Bilateral	3,950											3,950	3,000	950
	Field Spt	0													
		3,950	0	0	0	0	0	0	0	0	0	0	3,950	3,000	950
SO 2.2: Legal Institutions the Better Support Democratic Processes and Market Reforms															
	Bilateral	2,150											2,150	2,000	150
	Field Spt	0													
		2,150	0	0	0	0	0	0	0	0	0	0	2,150	2,000	150
SO 2.3: More Effective, Responsive and Accountable Local Government															
	Bilateral	2,350											2,350	2,350	0
	Field Spt	0													
		2,350	0	0	0	0	0	0	0	0	0	0	2,350	2,350	0
SO 3.2: Improved Sustainability of Social Benefits and Services															
	Bilateral	1,250					1,250						0	1,250	0
	Field Spt	0													
		1,250	0	0	0	0	1,250	0	0	0	0	0	0	1,250	0
SO 4.1 & 4.2: Special Initiatives and Cross-Cutting Programs															
	Bilateral	5,435	0	300	0	2,635							2,500	5,000	435
	Field Spt	0													
		5,435	0	300	0	2,635	0	0	0	0	0	0	2,500	5,000	435
Total Bilateral		32,000	7,390	8,825	0	3,385	1,250	0	0	0	0	200	10,950	28,925	2,775
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		32,000	7,390	8,825	0	3,385	1,250	0	0	0	0	200	10,950	28,925	2,775

FY 2000 Request Agency Goal Totals	
Econ Growth	16,215
Democracy	10,950
HCD	3,385
PHN	1,250
Environment	200
Program ICASS	0
GCC (from all Goals)	0

FY 2000 Account Distribution (DA only)	
Dev. Assist Program	32,000
Dev. Assist ICASS	
Dev. Assist Total:	32,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001 Program/Country: Albania
 Approp: SEED
 Scenario:

S.O. #, Title		FY 2001 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2001
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G			
SO 1.3: Accelerated Development and Growth of Private Enterprises																
	Bilateral	13,790	6,390	6,850		550		0							15,500	470
	Field Spt				0		0	0	0	0	0	0	0	0		
		13,790	6,390	6,850	0	550	0	0	0	0	0	0	0	0	15,500	470
SO 1.4: A More Competitive and Market-Responsive Private Financial Sector																
	Bilateral	2,125		2,125											2,000	125
	Field Spt		0		0	0	0	0	0	0	0	0	0	0		
		2,125	0	2,125	0	0	0	0	0	0	0	0	0	0	2,000	125
SO 1.6: Increased Environmental Management Capacity Supporting Economic Growth																
	Bilateral	0	0	0											0	0
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2.1: Increased, Better Informed Citizens' Participation in Pol/Econ Decision-Making																
	Bilateral	3,500											3,500		3,750	200
	Field Spt	0														
		3,500	0	0	0	0	0	0	0	0	0	0	3,500		3,750	200
SO 2.2: Legal Institutions the Better Support Democratic Processes and Market Reforms																
	Bilateral	2,750											2,750		2,600	300
	Field Spt	0														
		2,750	0	0	0	0	0	0	0	0	0	0	2,750		2,600	300
SO 2.3: More Effective, Responsive and Accountable Local Government																
	Bilateral	1,400											1,400		1,400	0
	Field Spt	0														
		1,400	0	0	0	0	0	0	0	0	0	0	1,400		1,400	0
SO 3.2: Improved Sustainability of Social Benefits and Services																
	Bilateral	2,225					2,225						0		2,225	0
	Field Spt	0														
		2,225	0	0	0	0	2,225	0	0	0	0	0	0		2,225	0
SO 4.1 & 4.2: Special Initiatives and Cross-Cutting Programs																
	Bilateral	6,210	0	350	0	3,110							2,750		6,250	395
	Field Spt	0														
		6,210	0	350	0	3,110	0	0	0	0	0	0	2,750		6,250	395
Total Bilateral		32,000	6,390	9,325	0	3,660	2,225	0	0	0	0	0	10,400		33,725	1,490
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0		0	0
TOTAL PROGRAM		32,000	6,390	9,325	0	3,660	2,225	0	0	0	0	0	10,400		33,725	1,490

FY 2001 Request Agency Goal Totals	
Econ Growth	15,715
Democracy	10,400
HCD	3,660
PHN	2,225
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 2001 Account Distribution (DA only)	
Dev. Assist Program	32,000
Dev. Assist ICASS	
Dev. Assist Total:	32,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

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FY 2002 Budget Request by Program/Country

Fiscal Year: 2002 Program/Country: Albania
 Approp: SEED
 Scenario:

S.O. #, Title		FY 2002 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2002
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G			
SO 1.3: Accelerated Development and Growth of Private Enterprises																
	Bilateral	11,840	8,090	3,200		550		0							12,310	0
	Field Spt															
		11,840	8,090	3,200	0	550	0	0	0	0	0	0	0	0	12,310	0
SO 1.4: A More Competitive and Market-Responsive Private Financial Sector																
	Bilateral	2,075		2,075											2,100	100
	Field Spt															
		2,075	0	2,075	0	0	0	0	0	0	0	0	0	0	2,100	100
SO 1.6: Increased Environmental Management Capacity Supporting Economic Growth																
	Bilateral	0	0												0	0
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2.1: Increased, Better Informed Citizens' Participation in Pol/Econ Decision-Making																
	Bilateral	4,000											4,000		4,200	0
	Field Spt	0														
		4,000	0	0	0	0	0	0	0	0	0	0	4,000		4,200	0
SO 2.2: Legal Institutions the Better Support Democratic Processes and Market Reforms																
	Bilateral	3,000											3,000		3,100	200
	Field Spt	0														
		3,000	0	0	0	0	0	0	0	0	0	0	3,000		3,100	200
SO 2.3: More Effective, Responsive and Accountable Local Government																
	Bilateral	1,400											1,400		1,400	0
	Field Spt	0														
		1,400	0	0	0	0	0	0	0	0	0	0	1,400		1,400	0
SO 3.2: Improved Sustainability of Social Benefits and Services																
	Bilateral	2,250					2,250						0		2,250	0
	Field Spt	0														
		2,250	0	0	0	0	2,250	0	0	0	0	0	0		2,250	0
SO 4.1 & 4.2: Special Initiatives and Cross-Cutting Programs																
	Bilateral	7,435	0	675	0	3,110							3,650		7,500	330
	Field Spt	0														
		7,435	0	675	0	3,110	0	0	0	0	0	0	3,650		7,500	330
Total Bilateral		32,000	8,090	5,950	0	3,660	2,250	0	0	0	0	0	12,050		32,860	630
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0		0	0
TOTAL PROGRAM		32,000	8,090	5,950	0	3,660	2,250	0	0	0	0	0	12,050		32,860	630

FY 2002 Request Agency Goal Totals	
Econ Growth	14,040
Democracy	12,050
HCD	3,660
PHN	2,250
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 2002 Account Distribution (DA only)	
Dev. Assist Program	32,000
Dev. Assist ICASS	
Dev. Assist Total:	32,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

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Table 2
Workforce

Workforce Tables

Org: <u>USAID/ALBANIA</u> End of year On-Board								Total							Total	Total
FY 2000 Estimate	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con-tract	Legal	All Other	Mgmt.	Staff
OE Funded: 1/																
U.S. Direct Hire	1.5	1	1	0.5				4	2		1				3	7
Other U.S. Citizens								0		1					1	1
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN	2		1					3	1		2			1	4	7
Subtotal	3.5	1	2	0.5	0	0	0	7	3	1	3	0	0	1	8	15
Program Funded 1/																
U.S. Citizens		0.5		0.5				1							0	1
FSNs/TCNs		0.5		1.5				2							0	2
Subtotal	0	1	0	2	0	0	0	3	0	0	0	0	0	0	0	3
Total Direct Workforce	3.5	2	2	2.5	0	0	0	10	3	1	3	0	0	1	8	18
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	3.5	2	2	2.5	0	0	0	10	3	1	3	0	0	1	8	18

Workforce Tables

Org: <u>USAID/ALBANIA</u> End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2001 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
OE Funded: 1/																
U.S. Direct Hire	1.5	1	1	0.5				4	2		1				3	7
Other U.S. Citizens								0		1				1	2	2
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN	1	1	1	1				4	2	1	2			2	7	11
Subtotal	2.5	2	2	1.5	0	0	0	8	4	2	3	0	0	3	12	20
Program Funded 1/																
U.S. Citizens		1		1				2							0	2
FSNs/TCNs	1		1	1				3							0	3
Subtotal	1	1	1	1	0	0	0	5	0	0	0	0	0	0	0	5
Total Direct Workforce	3.5	3	3	2.5	0	0	0	13	4	2	3	0	0	3	12	25
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	3.5	3	3	2.5	0	0	0	13	4	2	3	0	0	3	12	25

Workforce Tables

Org: <u>USAID/ALBANIA</u>								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
End of year On-Board	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
FY 2002 Target																
OE Funded: 1/																
U.S. Direct Hire	1.5	1	1	0.5				4	2		1				3	7
Other U.S. Citizens								0		1				1	2	2
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN	1	1	1	1				4	2	1	2			2	7	11
Subtotal	2.5	2	2	1.5	0	0	0	8	4	2	3	0	0	3	12	20
Program Funded 1/																
U.S. Citizens		1		1				2							0	2
FSNs/TCNs	1		1	1				3							0	3
Subtotal	1	1	1	2	0	0	0	5	0	0	0	0	0	0	0	5
Total Direct Workforce	3.5	3	3	3.5	0	0	0	13	4	2	3	0	0	3	12	25
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	3.5	3	3	3.5	0	0	0	13	4	2	3	0	0	3	12	25

Table 3
USDH Staffing Requirements

Mission: ALBANIA

Functional Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2000	FY 2001	FY 2002	FY 2003
Senior Management				
SMG - 01	1	1	1	1
Program Management				
Program Mgt - 02	1	1	1	1
Project Dvpm Officer - 94				
Support Management				
EXO - 03	1	1	1	1
Controller - 04				
Legal - 85				
Commodity Mgt. - 92				
Contract Mgt. - 93				
Secretary - 05 & 07				
Sector Management				
Agriculture - 10 & 14				
Economics - 11				
Democracy - 12	1	1	1	1
Food for Peace - 15				
Private Enterprise - 21	1	1	1	1
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50	1	1	1	1
Education - 60				
General Dvpm. - 12*	1	1	1	1
RUDO, UE-funded - 40				
Total	7	7	7	7

***GDO - 12:** for the rare case where an officer manages activities in several technical areas, none of which predominate, e.g., the officer manages Democracy, Health, and Environment activities that are about equal. An officer who manages primarily Health activities with some Democracy and Environment activities would be a Health Officer, BS 50.

remaining **IDIs**: list under the Functional Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw as well as include it with your R4 submission.

Table 4
Operating Expenses with Narrative and Supplemental Request Tables

NARRATIVE FOR 2002 OPERATING EXPENSE BUDGET ANNUAL BUDGET SUBMISSION FROM USAID/ALBANIA

Background:

Albania was designated an unaccompanied post on November 25, 1998.

USAID/Albania is a small post, with four residences at the Rilindja Ridge compound and three apartments (one Program-funded) in town. We are co-located with the Embassy. The offices consist of 250 square meters on the first and second floors of the chancery. Our program dollar levels for FY 00 and FY 01 are \$32 million.

Our O.E. budget for FY 00 is \$900,000 for FY 01 is \$1,300.00 and for FY 02 \$1,300.00. The increase over that period is due to the increase in USDH staff which includes costs for renting an additional residence and making it ready. Additionally, in the event that we receive the "green light" from SEC/AIDW for OTI to occupy another building, we anticipate sharing the space and locating some of our FSN or TCN staff in the new location. We are budgeting for office rent and security upgrades and the hiring of two additional FSNPSC staff.

ASSUMPTIONS:

Post-Assignment Travel:

FY 00: Our current Executive Officer will be departing post. Costs for her departure are included in our FY 00 budget table. We anticipate a replacement for this position during FY 00. Costs for this are included in our FY 00 budget table as well.

FY 01: The Mission Director, Program Officer, General Development Officer, Project Development Officer and Executive Officer are eligible to rotate during FY 01. We assume replacements will include spouses. In addition, we will move to fill our USDH Democracy Officer position at the end of FY 01 or 02. Cost calculations are based on the assumption that a family will be one employee and one adult dependent. Although, the USPSC contract is subject to a one year extension, we are including costs for his departure.

FY 02: The EXO will be replaced during FY 02. We assume a replacement with the same family composition (EXO and spouse).

Educational Allowance:

FY 00: USPSC – Financial Manager has two children (2 away from post)

FY01: Same

FY 02: Same

Home Leave:

FY 00: Executive Officer

FY 01: Mission Director, Program Officer, GDO, PDO, and EXO

FY 02: GDO and PDO

R&R:

FY 00:

Mission Director, Program Officer, GDO, PDO and EXO: two R&Rs each

USPSC: one R&R

FY 01:

Mission Director: one R&R and spouse

PROG: one R&R and spouse

GDO: one R&R spouse

PDO: one R&R and spouse

DEM: one R&R and spouse

USPSC: one R&R and spouse

FY 02:

Mission Director: one R&R and spouse

PDO: one R&R and spouse

ADO: one R&R spouse

EXO: one R&R and spouse

DEM: one R&R and spouse

Other significant costs:

Under OCC 11.8, we anticipate a 12.6% increase in FSNPSC salaries. We also anticipate hiring three more OE funded FSNPSC, moving us from eight to ten OE employees on-board and two more Program Funded FSNPSCs. Total number of FSNPSCs will be 13.

Under OCC 25.3, due to the security situation at post and the upgrading of its residential security facilities, Diplomatic Security, DS/PSP/FPD, has mandated that costs for residential security services be reimbursed either at post or in Washington.

We expect increases in FY 01 due to our increased level of participation in this service and in utilities, guard services and in other areas. In addition, we will have to rent in FY 01 a residence in town and make ready that residence to meet U.S. standards. The cost will include the purchase of a large-size residential generator and water pump, items necessary due to the poor water and power situation which continues in town.

OCC 21.0, Training Travel, includes training in the new Agency systems and for our new FSNPSC LAN Administrative Assistant. We anticipate being able to take advantage of some

regional training programs to keep costs down for our staff. OCCV 21.0 includes conference travel to the U.S. for three USDH employees and to FSNPSC. This is also included across the board for all other fiscal years in this budget, as are the training costs.

As for ADP Hardware and Software purchases, we are budgeting in FY 00 to upgrade seven PCs for USDH and USPSC staff, and two laser printers. In FY 01, we plan to upgrade six PCs for FSNPSC staff, and to purchase two laser printers and an upgrade for our mission server.

We will require TDY C&R assistance to re-establish the official, project and correspondence files for the period during the evacuations. Additionally, we will require TDY assistance in the personnel area for position classification and TDY assistance of an Executive Officer to assist with property disposal.

One mission vehicle in accordance with the 6 year, 60,000 mile rule is due to be replaced in FY 02. The vehicle must be ordered in FY 01.

USAID/Albania does not have a Controller stationed at post; therefore, the Controller operations table was not submitted.

The Trust Fund and FSN Voluntary Separation Table is not required by the Mission.

OPERATING EXPENSES

Org. Title:			Overseas Mission Budgets								
Org. No:			182			FY 2000 Estimate			FY 2001 Target		
OC						Dollars	TF	Total	Dollars	TF	Total
11.1		Personnel compensation, full-time permanent				Do not enter data on this line			Do not enter data on this line		
11.1		Base Pay & pymt. for annual leave balances - FNDH						0			0
		Subtotal OC 11.1				0	0	0	0	0	0
11.3		Personnel comp. - other than full-time permanent				Do not enter data on this line			Do not enter data on this line		
11.3		Base Pay & pymt. for annual leave balances - FNDH						0			0
		Subtotal OC 11.3				0	0	0	0	0	0
11.5		Other personnel compensation				Do not enter data on this line			Do not enter data on this line		
11.5		USDH						0			0
11.5		FNDH						0			0
		Subtotal OC 11.5				0	0	0	0	0	0
11.8		Special personal services payments				Do not enter data on this line			Do not enter data on this line		
11.8		USPSC Salaries				60		60	62		62
11.8		FN PSC Salaries				120		120	130		130
11.8		IPA/Details-In/PASAs/RSSAs Salaries						0			0
		Subtotal OC 11.8				180	0	180	192	0	192
12.1		Personnel benefits				Do not enter data on this line			Do not enter data on this line		
12.1		USDH benefits				Do not enter data on this line			Do not enter data on this line		
12.1		Educational Allowances				20		20	113		113
12.1		Cost of Living Allowances				38		38	50		50
12.1		Home Service Transfer Allowances						0			0
12.1		Quarters Allowances						0			0
12.1		Other Misc. USDH Benefits				10		10	10		10
12.1		FNDH Benefits				Do not enter data on this line			Do not enter data on this line		
12.1	**	Payments to FSN Voluntary Separation Fund - FNDH						0			0
12.1		Other FNDH Benefits						0			0
12.1		US PSC Benefits				56		56	58		58
12.1		FN PSC Benefits				Do not enter data on this line			Do not enter data on this line		
12.1	**	Payments to the FSN Voluntary Separation Fund - FN PSC						0			0
12.1		Other FN PSC Benefits				6		6	8		8
12.1		IPA/Detail-In/PASA/RSSA Benefits						0			0
		Subtotal OC 12.1				130	0	130	239	0	239
13.0		Benefits for former personnel				Do not enter data on this line			Do not enter data on this line		
13.0		FNDH				Do not enter data on this line			Do not enter data on this line		

OPERATING EXPENSES

Org. Title:			Overseas Mission Budgets								
Org. No:			FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
USAID/Albania											
182											
13.0		Severance Payments for FNDH			0			0			0
13.0		Other Benefits for Former Personnel - FNDH			0			0			0
13.0		FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0		Severance Payments for FN PSCs			0			0			0
13.0		Other Benefits for Former Personnel - FN PSCs			0			0			0
	Subtotal OC 13.0		0	0	0	0	0	0	0	0	0
21.0		Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0		Training Travel	27		27	12		12	12		12
21.0		Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0		Post Assignment Travel - to field	2		2	10		10	3		3
21.0		Assignment to Washington Travel			0			0			0
21.0		Home Leave Travel	2		2	6		6	6		6
21.0		R & R Travel	18		18	18		18	15		15
21.0		Education Travel			0			0			0
21.0		Evacuation Travel			0			0			0
21.0		Retirement Travel			0			0			0
21.0		Pre-Employment Invitational Travel			0			0			0
21.0		Other Mandatory/Statutory Travel			0			0			0
21.0		Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0		Site Visits - Headquarters Personnel	14		14	4		4	4		4
21.0		Site Visits - Mission Personnel	6		6	10		10	10		10
21.0		Conferences/Seminars/Meetings/Retreats	24		24	20		20	20		20
21.0		Assessment Travel			0			0			0
21.0		Impact Evaluation Travel			0			0			0
21.0		Disaster Travel (to respond to specific disasters)			0			0			0
21.0		Recruitment Travel			0			0			0
21.0		Other Operational Travel	6		6	8		8	8		8
	Subtotal OC 21.0		99	0	99	88	0	88	78	0	78
22.0		Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0		Post assignment freight	12		12	58		58	22		22
22.0		Home Leave Freight	12		12	68		68	22		22
22.0		Retirement Freight			0			0			0
22.0		Transportation/Freight for Office Furniture/Equip.	11		11	10		10	10		10
22.0		Transportation/Freight for Res. Furniture/Equip.	8		8	16		16	16		16
	Subtotal OC 22.0		43	0	43	152	0	152	70	0	70
23.2		Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

OPERATING EXPENSES

Org. Title:				USAID/Albania	Overseas Mission Budgets								
Org. No:				182	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC					Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.2				Rental Payments to Others - Office Space	45		45	60		60	60		60
23.2				Rental Payments to Others - Warehouse Space			0			0			0
23.2				Rental Payments to Others - Residences	54		54	72		72	72		72
	Subtotal OC 23.2				99	0	99	132	0	132	132	0	132
23.3				Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3				Office Utilities	8		8	8		8	8		8
23.3				Residential Utilities	6		6	8		8	8		8
23.3				Telephone Costs	24		24	12		12	12		12
23.3				ADP Software Leases			0			0			0
23.3				ADP Hardware Lease			0			0			0
23.3				Commercial Time Sharing			0			0			0
23.3				Postal Fees (Other than APO Mail)	1		1	1		1	1		1
23.3				Other Mail Service Costs			0			0			0
23.3				Courier Services	2		2	2		2	2		2
	Subtotal OC 23.3				41	0	41	31	0	31	31	0	31
24.0				Printing and Reproduction			0			0			0
	Subtotal OC 24.0				0	0	0	0	0	0	0	0	0
25.1				Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1				Studies, Analyses, & Evaluations			0			0			0
25.1				Management & Professional Support Services			0			0			0
25.1				Engineering & Technical Services			0			0			0
	Subtotal OC 25.1				0	0	0	0	0	0	0	0	0
25.2				Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2				Office Security Guards			0			0			0
25.2				Residential Security Guard Services			0			0			0
25.2				Official Residential Expenses	2		2	2		2	2		2
25.2				Representation Allowances	1		1	1		1	1		1
25.2				Non-Federal Audits			0			0			0
25.2				Grievances/Investigations			0			0			0
25.2				Insurance and Vehicle Registration Fees	2		2	2		2	2		2
25.2				Vehicle Rental	2		2	1		1	1		1
25.2				Manpower Contracts			0			0			0
25.2				Records Declassification & Other Records Services			0			0			0
25.2				Recruiting activities			0			0			0
25.2				Penalty Interest Payments			0			0			0

OPERATING EXPENSES

Org. Title:				USAID/Albania		Overseas Mission Budgets								
Org. No:				182		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC						Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2			Other Miscellaneous Services			6		6	5		5	5		5
25.2			Staff training contracts					0			0			0
25.2			ADP related contracts					0			0			0
	Subtotal OC 25.2					13	0	13	11	0	11	11	0	11
25.3		Purchase of goods and services from Government accounts			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.3			ICASS		198		198	250		250	250		250	
25.3			All Other Services from Other Gov't. accounts			see extra sheet		0	90		90	90		90
	Subtotal OC 25.3					198	0	198	340	0	340	340	0	340
25.4		Operation and maintenance of facilities			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.4			Office building Maintenance		1		1	4		4	6		6	
25.4			Residential Building Maintenance		6		6	6		6	6		6	
	Subtotal OC 25.4					7	0	7	10	0	10	12	0	12
25.6		Medical Care												
	Subtotal OC 25.6					0	0	0	0	0	0	0	0	0
25.7		Operation/maintenance of equipment & storage of goods			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.7			ADP and telephone operation and maintenance costs				0			0			0	
25.7			Storage Services				0			0			0	
25.7			Office Furniture/Equip. Repair and Maintenance		4		4	4		4	4		4	
25.7			Vehicle Repair and Maintenance		3		3	4		4	4		4	
25.7			Residential Furniture/Equip. Repair and Maintenance		1		1	2		2	2		2	
	Subtotal OC 25.7					8	0	8	10	0	10	10	0	10
25.8		Subsistance & spt. of persons (by contract or Gov't.)					0			0			0	
	Subtotal OC 25.8					0	0	0	0	0	0	0	0	0
26.0		Supplies and materials			5		5	8		8	8		8	
	Subtotal OC 26.0					5	0	5	8	0	8	8	0	8
31.0		Equipment			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
31.0			Purchase of Residential Furniture/Equip.		36		36	24		24	18		18	
31.0			Purchase of Office Furniture/Equip.		12		12	12		12	6		6	
31.0			Purchase of Vehicles				0	22		22	25		25	
31.0			Purchase of Printing/Graphics Equipment				0			0				

OPERATING EXPENSES

Org. Title:				Overseas Mission Budgets								
Org. No:				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31.0			ADP Hardware purchases	20		20	17		17			0
31.0			ADP Software purchases	3		3	3		3	6		6
			Subtotal OC 31.0	71	0	71	78	0	78	55	0	55
32.0			Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0			Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0			Purchase of fixed equipment for buildings			0			0			0
32.0			Building Renovations/Alterations - Office	3		3	3		3	12		12
32.0			Building Renovations/Alterations - Residential	3		3	6		6	12		12
			Subtotal OC 32.0	6	0	6	9	0	9	24	0	24
42.0			Claims and indemnities			0			0			0
			Subtotal OC 42.0	0	0	0	0	0	0	0	0	0
			TOTAL BUDGET	900	0	900	1300	0	1300	1300	0	1300
Additional Mandatory Information												
			Dollars Used for Local Currency Purchases	<u>206</u>	___		<u>214</u>	___		<u>238</u>	___	
			Exchange Rate Used in Computations	<u>125</u>	___		<u>125</u>	___		<u>125</u>	___	
	**		If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.									
			On that form, OE funded deposits must equal:			0			0			0

OPERATING EXPENSES

Org. Title:			USAID/Albania	Overseas Mission Budgets								
Org. No:			182	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1			Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1			Base Pay & pymt. for annual leave balances - FNDH			0			0			0
			Subtotal OC 11.1	0	0	0	0	0	0	0	0	0
11.3			Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3			Base Pay & pymt. for annual leave balances - FNDH			0			0			0
			Subtotal OC 11.3	0	0	0	0	0	0	0	0	0
11.5			Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5			USDH			0			0			0
11.5			FNDH			0			0			0
			Subtotal OC 11.5	0	0	0	0	0	0	0	0	0
11.8			Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8			USPSC Salaries			0			0			0
11.8			FN PSC Salaries			0			0			0
11.8			IPA/Details-In/PASAs/RSSAs Salaries			0			0			0
			Subtotal OC 11.8	0	0	0	0	0	0	0	0	0
12.1			Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1			USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1			Educational Allowances			0			0			0
12.1			Cost of Living Allowances			0			0			0
12.1			Home Service Transfer Allowances			0			0			0
12.1			Quarters Allowances			0			0			0
12.1			Other Misc. USDH Benefits			0			0			0
12.1			FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	**		Payments to FSN Voluntary Separation Fund - FNDH			0			0			0
12.1			Other FNDH Benefits			0			0			0
12.1			US PSC Benefits			0			0			0
12.1			FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	**		Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0
12.1			Other FN PSC Benefits			0			0			0
12.1			IPA/Detail-In/PASA/RSSA Benefits			0			0			0
			Subtotal OC 12.1	0	0	0	0	0	0	0	0	0

OPERATING EXPENSES

Org. Title:			USAID/Albania	Overseas Mission Budgets								
Org. No:			182	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0			Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0			FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0			Severance Payments for FNDH			0			0			0
13.0			Other Benefits for Former Personnel - FNDH			0			0			0
13.0			FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0			Severance Payments for FN PSCs			0			0			0
13.0			Other Benefits for Former Personnel - FN PSCs			0			0			0
			Subtotal OC 13.0	0	0	0	0	0	0	0	0	0
21.0			Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0			Training Travel			0			0			0
21.0			Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0			Post Assignment Travel - to field			0			0			0
21.0			Assignment to Washington Travel			0			0			0
21.0			Home Leave Travel			0			0			0
21.0			R & R Travel			0			0			0
21.0			Education Travel			0			0			0
21.0			Evacuation Travel			0			0			0
21.0			Retirement Travel			0			0			0
21.0			Pre-Employment Invitational Travel			0			0			0
21.0			Other Mandatory/Statutory Travel			0			0			0
21.0			Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0			Site Visits - Headquarters Personnel			0			0			0
21.0			Site Visits - Mission Personnel			0			0			0
21.0			Conferences/Seminars/Meetings/Retreats			0			0			0
21.0			Assessment Travel			0			0			0
21.0			Impact Evaluation Travel			0			0			0
21.0			Disaster Travel (to respond to specific disasters)			0			0			0
21.0			Recruitment Travel			0			0			0
21.0			Other Operational Travel			0			0			0
			Subtotal OC 21.0	0	0	0	0	0	0	0	0	0
22.0			Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0			Post assignment freight			0			0			0
22.0			Home Leave Freight			0			0			0
22.0			Retirement Freight			0			0			0
22.0			Transportation/Freight for Office Furniture/Equip.			0			0			0

OPERATING EXPENSES

Org. Title:				Overseas Mission Budgets								
Org. No:				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0			Transportation/Freight for Res. Furniture/Equip.			0			0			0
	Subtotal OC 22.0			0	0	0	0	0	0	0	0	0
23.2			Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2			Rental Payments to Others - Office Space			0			0			0
23.2			Rental Payments to Others - Warehouse Space			0			0			0
23.2			Rental Payments to Others - Residences			0			0			0
	Subtotal OC 23.2			0	0	0	0	0	0	0	0	0
23.3			Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3			Office Utilities			0			0			0
23.3			Residential Utilities			0			0			0
23.3			Telephone Costs			0			0			0
23.3			ADP Software Leases			0			0			0
23.3			ADP Hardware Lease			0			0			0
23.3			Commercial Time Sharing			0			0			0
23.3			Postal Fees (Other than APO Mail)			0			0			0
23.3			Other Mail Service Costs			0			0			0
23.3			Courier Services			0			0			0
	Subtotal OC 23.3			0	0	0	0	0	0	0	0	0
24.0			Printing and Reproduction			0			0			0
	Subtotal OC 24.0			0	0	0	0	0	0	0	0	0
25.1			Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1			Studies, Analyses, & Evaluations			0			0			0
25.1			Management & Professional Support Services			0			0			0
25.1			Engineering & Technical Services			0			0			0
	Subtotal OC 25.1			0	0	0	0	0	0	0	0	0
25.2			Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2			Office Security Guards			0			0			0
25.2			Residential Security Guard Services			0			0			0
25.2			Official Residential Expenses			0			0			0
25.2			Representation Allowances			0			0			0
25.2			Non-Federal Audits			0			0			0

OPERATING EXPENSES

Org. Title:			USAID/Albania	Overseas Mission Budgets								
Org. No:			182	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2			Grievances/Investigations			0			0			0
25.2			Insurance and Vehicle Registration Fees			0			0			0
25.2			Vehicle Rental			0			0			0
25.2			Manpower Contracts			0			0			0
25.2			Records Declassification & Other Records Services			0			0			0
25.2			Recruiting activities			0			0			0
25.2			Penalty Interest Payments			0			0			0
25.2			Other Miscellaneous Services			0			0			0
25.2			Staff training contracts			0			0			0
25.2			ADP related contracts			0			0			0
			Subtotal OC 25.2	0	0	0	0	0	0	0	0	0
25.3			Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3			ICASS			0			0			0
25.3			All Other Services from Other Gov't. accounts	86.4		86.4			0			0
			Subtotal OC 25.3	86.4	0	86.4	0	0	0	0	0	0
25.4			Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4			Office building Maintenance			0			0			0
25.4			Residential Building Maintenance			0			0			0
			Subtotal OC 25.4	0	0	0	0	0	0	0	0	0
25.6			Medical Care									
			Subtotal OC 25.6	0	0	0	0	0	0	0	0	0
25.7			Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7			ADP and telephone operation and maintenance costs			0			0			0
25.7			Storage Services			0			0			0
25.7			Office Furniture/Equip. Repair and Maintenance			0			0			0
25.7			Vehicle Repair and Maintenance			0			0			0
25.7			Residential Furniture/Equip. Repair and Maintenance			0			0			0
			Subtotal OC 25.7	0	0	0	0	0	0	0	0	0
25.8			Subsistence & spt. of persons (by contract or Gov't.)			0			0			0
			Subtotal OC 25.8	0	0	0	0	0	0	0	0	0

OPERATING EXPENSES

Org. Title:				Overseas Mission Budgets								
Org. No:				FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC			E&E 2002 R4-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0			Supplies and materials			0			0			0
			Subtotal OC 26.0	0	0	0	0	0	0	0	0	0
31.0			Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0			Purchase of Residential Furniture/Equip.			0			0			0
31.0			Purchase of Office Furniture/Equip.			0			0			0
31.0			Purchase of Vehicles			0			0			0
31.0			Purchase of Printing/Graphics Equipment			0			0			0
31.0			ADP Hardware purchases			0			0			0
31.0			ADP Software purchases			0			0			0
			Subtotal OC 31.0	0	0	0	0	0	0	0	0	0
32.0			Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0			Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0			Purchase of fixed equipment for buildings			0			0			0
32.0			Building Renovations/Alterations - Office			0			0			0
32.0			Building Renovations/Alterations - Residential			0			0			0
			Subtotal OC 32.0	0	0	0	0	0	0	0	0	0
42.0			Claims and indemnities			0			0			0
			Subtotal OC 42.0	0	0	0	0	0	0	0	0	0
			TOTAL BUDGET	86.4	0	86.4	0	0	0	0	0	0
Additional Mandatory Information												
			Dollars Used for Local Currency Purchases	_____			_____			_____		
			Exchange Rate Used in Computations	_____	_____		_____	_____		_____	_____	
	**		If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.									
			On that form, OE funded deposits must equal:			0			0			0

Table 5
Global Bureau Field Support & Environmental Impact Statements

Accessing Global Bureau Services Through Field Support and Buy-Ins

USAID/Albania FY2002 R4

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2001		FY 2002	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 1.3	PRIVATIZATION 180-0014	MEDIUM-LOW	1 YEAR	500			
SO 2.1	Political Organizations (NDI, IRI, IFES)-180-0021.05	HIGH	2 YEAR	1,000		1,000	
SO 2.1	Anticorruption Activity-180-0021.17	HIGH	2 YEAR	1,000		1,000	
SO 3.2	Women's Reproductive Health - TASC 936-3096.02	MEDIUM-HIGH	2 YEAR		750		750
SO 4.1	TRANSIT-Participant Training 936-0045.01	MEDIUM-HIGH	2 YEAR		850		850
GRAND TOTAL.....				2,500	1,600	2,000	1,600

* For Priorities use high, medium-high, medium, medium-low, low

ALBANIA02RB_GFS

COUNTRY: ALBANIA**ENVIRONMENTAL IMPACT STATEMENTS**

USAID assistance to Albania consists primarily of technical assistance and training and does not include capital construction. Programs with any environmental consequences or have a construction component are implemented through centrally-funded and managed activities. No environmental assessments were undertaken in FY 1999, or planned for in FYs 2001 and 2002.

Table 6
Special Reporting
E&E Bureau Detailed Budget Information

TABLE 6

USAID Albania Budget by SO

<u>Project/Activity</u>		<u>FY2000 Budget</u>	<u>FY2001 Budget</u>	<u>FY2002 Budget</u>
SO#1.3 Accelerated Development and Growth of Private Enterprises				
180-0010.07	Fultz School	0	0	0
180-0010.07	Albania Enterprise Funds	1,000,000	1,700,000	0
180-0014.03	Enterprise Restructuring (Privat.)	500,000	0	0
180-0023.13	Micro lending/Small Business	950,000	1,100,000	1,500,000
180-0024.??	New Enterprise Development Initiatives	2,500,000	2,200,000	2,390,000
180-0024.??	L O'Lakes Dairy Marketing	2,200,000	1,700,000	1,700,000
180-0024.22	Agr. Trade Associations/Statistics	2,190,000	2,190,000	2,000,000
180-0026.05	Govnt to Govnt-DOC (632b)-CLDP	300,000	150,000	0
180-0026.22	Customs Assistance-G/SEGIR	1,500,000	1,500,000	1,500,000
180-0029.01	Lg. Grants Competition-Mgt.(UNeb)	750,000	550,000	550,000
180-0049	Restructuring Albania Agriculture	3,000,000	0	0
180-0049.??	New Land Markets/Agriculture	0	2,500,000	2,000,000
	WB Customs Reform/Trade Facilitation	200,000	200,000	200,000
		15,090,000	13,790,000	11,840,000
SO#1.4 A More Competitive and Market-Responsive Private Financial Sector				
180-0014.02	Collateral Law (SEGIR/IRIS)	0	250,000	0
180-0014.04	Banking Sector (Banking Super.)	900,000	650,000	800,000
108-0014.05	Regional & Other (3 E Network)	0	0	0
180-0027.01	Financial Services-US Treasury	475,000	475,000	475,000
180-0027.02	FSVC Grant	200,000	200,000	200,000
	New Financial Sector Reform	0	550,000	600,000
		1,575,000	2,125,000	2,075,000
SO#1.6 Increased Environmental Management Capacity Supporting Econ. Growth				
180-0024.23	Integrated Pest Management	200,000	0	0
180-0039.17	Albania Watershed Management	0	0	0
180-0039.11	Albania Forestry Program	0	0	0
		200,000	0	0
SO#2.1 Increased, Better Informed Citizens' Participation in Pol/Econ Decision-Making				
180-0021.05	Political Orgs. (NDI, IFES,IRI)	1,000,000	1,000,000	1,000,000
180-0021.15	Conflict Mgt./NGO Support	1,000,000	1,000,000	1,000,000
180-0021.17	Anti-corruption Activity	1,250,000	1,000,000	1,300,000
180-022.03	Professional Media Program	700,000	500,000	700,000
		3,950,000	3,500,000	4,000,000
SO#2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms				
180-0020.02	ABA Grant	450,000	500,000	500,000
180-0020.03	Democ. & Law - DOJ/AOJ (632b)	700,000	1,250,000	1,500,000
180-0020.09	New Legal Reform Initiatives	1,000,000	1,000,000	1,000,000
		2,150,000	2,750,000	3,000,000
SO#2.3 More Effective, Responsive and Accountable Local Government				
180-0019.07	Public Administration	450,000	0	0
180-0034.02	Municipal Development	500,000	0	0
180-0034.??	Municipal Development-New	1,400,000	1,400,000	1,400,000
		2,350,000	1,400,000	0 1,400,000
SO#3.2 Improved Sustainability of Social Benefits and Services				
180-0037	Partnerships in Health Care (AIHA)	500,000	500,000	500,000
180-0038	Promotion of Health Markets (DHHS)	0	0	0
180-0061	Alb. Womens Reproductive Health	750,000	750,000	750,000
180-0064	Healthcare Initiative	0	975,000	1,000,000
		1,250,000	2,225,000	2,250,000
SO#4.1 Special Initiatives				
TBD	Local Infrstructure Rehabilitation	10,372,000 **	0	0
TBD	Weapons for Development	1,000,000 **	0	0
TBD	Social Sector Rehabilitation	7,000,000 **	0	0
TBD	Regional Energy Restoration	525,000	1,000,000	1,000,000
		525,000	1,000,000	1,000,000

<u>SO#4.2</u> Cross-cutting Programs				
180-0045.01	World Learning/TRANSIT	850,000	850,000	850,000
180-249.02	AEPS	300,000	350,000	675,000
180-249.03	Performance Fund	0	0	0
		1,150,000	1,200,000	1,525,000
<u>TOTAL SAI FUNDING BY SO</u>		28,240,000	27,990,000	27,090,000
SET ASIDES/OTHER USG PROGRAMS				
State/Former USIA				
180-0029.02	Sm. Grants Competition-(USIA)	100,000	100,000	100,000
180-0045.06	Ron Brown Fellowships (USIA)	300,000	300,000	300,000
180-0021.01	Ed. Reform- USIA (632a) & ORA	100,000	100,000	100,000
	Freedom Grants (IVs)	110,000	110,000	110,000
	Democ. Commission	200,000	200,000	200,000
	English Teaching	150,000	150,000	150,000
	Media Training	150,000	150,000	150,000
	Regional-NGO/Media Prev. Trafficking	50,000	50,000	50,000
	Regional-Youth Leadership Initiative	100,000	100,000	100,000
Other USG/Regional Activities				
	Parking Fines (DOS)	0	0	0
	Law Enforcement Advisor	350,000	350,000	350,000
	Organized Crime Task Force	0	250,000	1,150,000
	Police Training/ICITAP	2,150,000	2,150,000	2,150,000
	GRAND TOTAL (ALL CATEGORIES)	<u>32,000,000</u>	<u>32,000,000</u>	<u>32,000,000</u>

Notes: **- FY99 SEED Supplemental Funding (one time funding; non-add.)

Table 7
Special Reporting
Success Stories

Albania Success Stories

Ismete Demo is a shopkeeper and leader of her four-member loan group. With a \$200 loan, she purchased a refrigerator so she could sell perishable items as well as dry goods. With her next loan, she will buy a cow and sell meat. Two other members of the group are shopkeepers. A third member buys food wholesale and sells in smaller quantities to shops, including members of the group. The women often buy on credit and extend credit to their customers. Ismete ambitiously plans to enlarge her store and two build a coffee shop on the second floor. Two other group members also have ambitious plans. The third member is pleased to be keeping food on the table. Prior to their loans, the women were acquaintances; now they are friends who share problems and work out solutions. If one member cannot make her loan payment, the others help her out. (Opportunity International)

Gani Elezi's fast food shop is the size of a one-car garage. The shop has only one table with an oilcloth cover, but a bar provides space for stand-up customers. His \$800 loan four months ago increased his profits by 25%. He has a group loan with two other men, a carpenter and a sock maker. Together, their businesses support 16 people. They meet weekly to make their payments and to discuss business. At one meeting, three of their friends waited for the loan officer to inquire about forming a loan group. Word-of-mouth continues to be the best form of advertising in a country where trust is in short supply. (Opportunity International)

Myftar Papinari is one of our first clients. When he met with the loan officer he did not know if his business would succeed because he had changed it from a simple coffee bar to a fast food restaurant. Taking into account nearby competitors, it seemed to be a high-risk business. But after obtaining his loan and considering suggestions from the loan officer about using the space to its maximum capacity and improving its appearance, sales doubled after only two months. Myftar used the \$1,900 loan to buy fast food equipment and now with the additional profits, he has doubled his investment in his own property to meet growing demand. (Opportunity International)

Ardian Mazreku has been a dentist for many years. He decided to grow his business, renting a place and opening a new clinic. Although he had some savings, he needed a loan to expand his clinic. One of his difficulties was to establish his reputation among new clients in a new location. During the first months of the clinic's operation, he had a shortfall in income because he had so few clients. He used his \$900 loan mainly for advertising, leaflets about his services and a sign, but also for some new chairs and other attractive furniture. He has obtained good results in his new location and feels confident about his business. (Opportunity International)

A new milk collection station is located in the middle of Kamçisht, a village in the Lushnje district. Prior to the installation of the cooling tank, the building was used as a small dairy plant. However, a stench was created by the plant bothered the neighbors. When the owners indicated interest in installing a cooling tank, they were told that they had to make certain improvements, one of them the construction of a septic tank. The owners were dubious, but complied, and once installed channeled all the wastewater from the plant through the septic tank. The smell disappeared and the villagers were pleased. Everyone was educated in the importance of septic tanks. (Land O'Lakes)

Last year the USAID program assisted **Egdi Gramo**, the owner of the EXTRAMILK dairy plant to purchase a generator. The loan was provided through the Albanian Educational Development Program/Catholic Relief Services loan program and it was to be repaid by supplying milk to the Technological High School. The students consumed the milk, but a small portion was channeled to the Dairy Room of the school, where the students would practice quality testing and make cheese. The dairy processor also made it possible for the students to receive hands-on training and technical skills by working part-time in his dairy plant. Some time later, a ceremony was organized at the Rogner Hotel in Tirana in which the students demonstrated the different kinds of products and skills they had learned. The contribution of EXTRAMILK was noted and Mr. Gramo was proud of his role. Mr. Gramo said, "Tomorrow, me and my friends in the dairy business will need qualified workers, so why not help them improve their skills?" He will continue collaboration with the school even though he has repaid the loan. This type of collaboration between the business community and educational institutions is new to Albania, but such synergies are beneficial. (Land O'Lakes)

An Italian project, COSPE/ZADRIMA, began to work in Albania in 1999 with a focus on small business development for rural women. Aware of the work of USAID in dairy development, they wanted to collaborate. One hundred rural women were trained on "business management," with each one receiving a booklet on management. Assistance was also provided in the installation of the dairy equipment, putting a dairy line into operation and teaching rural women production technology. These women have two dairy plants in operation now and have received additional training in milk collection procedures, hygiene and sanitation, milk quality testing, and feta and hard cheese production technology. They are producing and selling their products through their own shop in Shkoder. COSPE wants a continued collaboration as they intend to teach women how to produce cheese as a cottage industry. (Land O'Lakes)

Farmer **Shefki Haxhiu** is from Vlora, 20 km west of Tirana. The land in this community belonged to a state-owned agricultural enterprise that supplied Tirana with milk, fruit and olives. After the change of government in 1991, the land was parceled out to the farmers. Mr. Hashiu received about 1,000 square meters of lowland on which 40 olive trees were growing. His father received 4,300 square meters of mountainside property.

In the early 1990's, Mr. Haxhiu was able to provide for his family's needs and save a little money. By 1994, he had saved enough money to establish a small (500 square meter) greenhouse, where he harvested his first crop of tomatoes and cucumbers in June 1995. Later he expanded the greenhouse to 700 square meters with the profits earned.

Mr. Haxhiu also used a portion of his profits to set up a 3,000 square meter vineyard, on his father's land. To date, he has purchased all his agricultural inputs from the local USAID-supported AFADA dealer, Mr. **Faqiri Ismaili**. Mr. Haxhiu has been satisfied with the inputs purchased. He first learned about this AFADA dealer from the USAID-sponsored TV spots featuring several regional AFADA dealers. Mr. Haxhiu received USAID-produced publications, which helped him learn about fertilizer and pesticide safety and usage.

Mr. Haxhiu had an excellent harvest from the vineyard in the second year, harvesting 1,000 kg of grapes, worth approximately 100,000 leks (\$800) and his harvest increased to 1,500 kg in the second year. In 1999, his harvest increased to 2,000 kg and he plans to harvest about 5,000 kg in 2000.

The local AFADA dealer also provided him with technical assistance and information on olive cultivation, which motivated him to prune and maintain his olive trees. The technical assistance taught him how to use fertilizer and pesticides. In 1993, he had been able to harvest 4 kg per tree. By 1999, his harvest had increased to 15 kg per tree.

For farmer Haxhiu, hard work and assistance from an AFADA dealer made a big difference in his life. (International Fertilizer Development Center)

In 1996, an USAID-sponsored Technology Transfer Center (TTC) was established in Kruja on the donated land of **Sherif Memoci**, the brother of an AFADA dealer. The purpose of the TTC was to provide technical assistance to farmers through the local AFADA dealers in the region, with the goal of increasing agricultural production.

Mr. Memoci received approximately 1.4 has of land through the privatization process in his region. From 1991 through 1996, he averaged about 100,000 leks (\$800) annual income from the crops raised on this land.

In 1997, he borrowed \$2,400 from his brother to establish a greenhouse using the technology he had learned while attending several TTC demonstrations. He bought top quality seeds, fertilizer and crop protection chemicals from the local AFADA dealer (his brother). After a year of the operation, Mr. Memoci had repaid some of his loan. In the second year, his income increased to 400,000 leks (\$3,200). Based on his success, he offered to host a TTC demonstration to provide information and technical assistance to other farmers in his area.

Mr. Memoci says that his agricultural education was enhanced by working closely with the TTC, exchanging experiences and methodologies with other farmers who visit the Center, and by discussing seed qualities, safe use of crop protection chemicals and fertilizers. Farmers frequently visit his farm seeking to exchange ideas on agricultural practices.

During the Kosovo crisis, the Memoci family provided food and shelter for a Kosovar family of nine for more than six months. Mr. Memoci noted that this was possible because of the improved standard of living that his family had achieved through his hard work and the technical assistance provided through the USAID program. (International Fertilizer Development Center)

Mr. Fric Barbullushi, owner of Fritz & Co. in Shkoder, participated in a training program in Washington D.C., Connecticut and New York for businessmen involved in handicrafts. Before the training, Mr. Barbullushi had set a goal of adding 20 new articles to his product line of gold and silver filigree jewelry and crafts. Within six months of his return, he had added 43 new articles. He improved the quality of his silverwork by adding galvanizing techniques. He has also exported \$8,000 worth of merchandise to New York and Connecticut. In early 2000 he will launch a web page. One result is that he has increased his workforce by 18%. Mr. Barbullushi

said, “I was very impressed by the simplicity, sincerity and work ethic that I saw during my program in the U.S. The more groups and individuals who can be sent to such programs in the U.S. to learn not only professional and technical skills, but also cultural attitudes, the more they will bring this experience and work ethic back to Albania to help it grow in both democratic practices as well as worldwide commercial relations. This will really strengthen my country.” (World Learning International)

Shaban Bilali participated in the same training and had set a goal of increasing the sale of his statues and sculpted decorations by 15%, and after the training has achieved an increase of 30%. He has purchased new machinery, improving the quality of his products. He has participated in fairs in Austria and Italy, and has now opened up a market in Austria. He is producing a catalogue for his over 330 articles and is advertising on television. The increased production has resulted in more take-home pay for his workers. (World Learning International)

Enver Ferizaj, owner of the EN & ZY Fruit and Vegetable Processing Company in Kavaja, participated in a training course in Washington, D.C., Buffalo, NY and Sacramento, CA on food processing. Since the training Mr. Ferizaj has increased his production and sales by 30% by protecting his label from falsification, recycling water, introducing modern packaging and the variety of quantities offered. His plant generally suffers from frequent water shortages, and Mr. Ferizaj took careful note how water is recycled in American plants. Now, he collects the water used to clean the fruits and vegetables and recycles it for cooling. This last year he suffered no work stoppage due to a lack of water. To combat an estimated \$50,000 annual loss of market due to others falsifying his label, he purchased equipment observed during his training that allows him to put a unique, not easily copied, stamp on the caps of his jars. He has also started put a security tab on the cap and jar to indicate that it has not been opened, a practice he observed during training. Observing the advantage of offering different sized jars, he now sells his products in jars from 220g to 580g. During his training, he also saw how he could better utilize the traditionally slow winter months by freezing vegetables. Upon, his return he obtained a loan from the American Bank in Tirana and purchased a freezer, which he paid within the year. He also repaid a second loan quickly and now has a healthy line of credit of \$200,000. Information in the body of this report will confirm the general difficulty in obtaining credit in Albania. Mr. Ferizaj said “We saw many things during the training that were way beyond our means in Albania. But we saw the future and observed the many small details that we have been able to adapt and implement to improve our businesses.” (World Learning International)

Avni Sula, owner of a milk collection station in Lushnje District, participated in a training on milk collection, grading, hygiene and sanitation in Elblag, Poland. Mr. Sula now conducts random tests for acidity and fat content of the milk he collects from about 200 farmers and pays the farmers on the basis of quality. He has increased, therefore, the milk he collects daily from about 2200 kg to 2600 kg. Other participants of this training had similar post-training experiences. For example, **Jemin Bullari** noticed a marked increase in the demand for his milk from the shops to which he sells now that he is cooling his milk immediately and buying only quality milk that he tests daily. He no longer buys milks unless it has been filtered and is delivered in a stainless steel container. (World Learning International)

Gjok Nikaj, owner of Universal Construction Firm in Lezhe, participated with other construction firm owners in a training program to learn about fostering local economic development, developing middle management, setting up quality control systems, utilizing quality materials and equipment and applying modern construction techniques. The training took place in and around Tempe and Flagstaff, Arizona.

At first, city officials in Lezhe were uninterested in the proposals of Mr. Nikaj. However, 6 months after the training, the municipality and Mr. Nikaj have become partners in an important housing project. Mr. Nikaj has purchased land where he is building 10 five-storey buildings that will house 100 families, including some who lost their homes during the pyramid schemes. The city authorities, recognizing the dire need for additional housing in their city, have welcomed this initiative and are eager to smooth the way with the required authorizations that have, in other cases, tied up such projects for years.

Also a participant in the construction training was **Ms. Tatjana Bregu**, one of the few woman owners of a construction firm in Albania. She has won tenders with foreign aid organizations working on refurbishing schools and other public buildings and thereby increased her revenues by 18%. She credits her training with helping her better understand the high standards required by the foreign organizations and execute contracts with quality work. She has provided 700 people with jobs during the winter months when many are normally jobless.

Another construction training participant, **Gezim Jazxhi**, returned from this training with three major insights: the need to work together with local officials to improve the region, the importance of working through an association to have businesspeople speak with one voice, and the value of modern management techniques. He took immediate action in all three areas. He became a founding member of a commission of public and private sector individuals devoted to promoting economic development in the region. He actively participated in drawing up a strategic plan for the commission and his firm is supporting the work by conducting studies for two projects in his city. He has also participated in a local commission on corruption where his knowledge of transparent and sound tender procedures gained during training has helped raise awareness of possibilities to reduce corruption in government procurement. Seeing the need to work with others to press government authorities to address constraints to business, Mr. Jazxhi has become an active member of the local chapter of the Association of Albanian Businessmen. Finally, Mr. Jazxhi has reorganized his company by separating it into four basic units and tying wages and salaries to the bottom line of each unit. His company is also using the latest autocad, a computer drafting program, enabling it to submit technically superior proposals. (World Learning International)

The **Business Improvement District (BID) Association of Durres** is on the verge of another in a string of recent successes. The Board of Directors of the Association feels that the city government is doing a poor job cleaning the street of dust and maintaining sewer drains. The city is simply unable to manage the task.

The BID Association will take over the city's responsibility for the streets and sewer lines. USAID's Office of Transition has agreed to provide a street-cleaning truck for the Association. The **Mayor of Durres** has agreed to contract with the Association and will use proceeds from

the sanitation tax for this purpose. Under the city contract, the Association will hire and supervise a driver to operate the truck and cleaning equipment, will maintain responsibility for maintaining the vehicle, paying for fuel, insurance, and parking. This is another example of how USAID's public management, citizen participation, and economic development efforts can work together to achieve results that affect people's daily lives. (Development Alternatives, Inc.)

Arben Kote is the owner of Hard & Soft, a hardware, software, and computer services provider in Elbasan. Through USAID-funded training in North Carolina and Texas, Mr. Kote learned about software programming in support of the fields of construction, wood and metal processing, and accounting. He also acquired knowledge related to the Internet, hardware and software pricing strategy and marketing, as well as the profitable provision of computer support services. Soon after returning to his home town, Mr. Kote signed a contract with "Albania On Line" and the City of Elbasan, which, through Mr. Kote's support, will be the first city after Tirana to have a local Internet server. Other local government offices are now setting up web pages and have turned to Kote for training.

Hard & Soft's business has increased more than 50% since Mr. Kote's visit to the States. Kote says, "Everyone is so excited about Internet access. The Customs Agency in Elbasan is already collaborating with its central office in Tirana and its border posts via e-mail." (World Learning International)

Table 8
Detailed Performance Indicator Tables